FINANCIAL TIMES
PUBLISHED IN LONDON AND FRANKFURT
No. 28,390 Saturday February 7 1981 ***25p
CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 28; DENMARK Kr 6.00; FRANCE Fr 4.50; GERMANY DM 2.0; ITALY L 800; NETHERLANDS Fl 2.0; NORWAY Kr 6.00; PORTUGAL Esc 50; SPAIN Pta 75; SWEDEN Kr 6.00; SWITZERLAND Fr 2.0; EIRE 30p; MALTA 25c

NEWS SUMMARY

GENERAL

Giscard, Schmidt press UK on fishing

President Giscard d'Estaing of France and Chancellor Schmidt of West Germany agreed on the last day of their Paris summit meeting to press Britain for a speedy agreement on a common fisheries policy.

Officials of both countries indicated that they thought that the British Government's attitude was the main obstacle to an EEC agreement.

This follows hints from West German Agriculture Minister Josef Ertl that last year's agreement to pay Britain a refund from EEC contributions could *be at risk if the fishery talks* were not settled quickly. **Back Page**

Seamen's talks

Further conciliation talks are planned today and tomorrow at ACAS offices between shipping employers and seamen's leaders, over their pay dispute. Yesterday two more companies. P & O and United Baltic Corporation. had separate talks with the seamen. **Back Page**

Ulster silence

British Ministers responsible for Northern Ireland would not comment yesterday on the Rev. Ian Paisley MP's showing to journalists at a hillside camp of 500 "defenders" said to have held up firearms licences. Ulster council elections are due in May. **Page 3**

Access denied

Supporters of the Freedom of *Information Bill failed to* establish a public right of access to documents. Many Cabinet Ministers—a rare sight in the Commons on a Friday—helped win an adjournment for a week, which effectively kills the Bill. **Page 4**

Appeal fails

Harriet Harman. solicitor and legal officer for the National Council of Civil Liberties. lost her Appeal Court case against conviction for contempt of court for showing a journalist Home Office documents which had been read in open court. **Page 3**

Madrid impasse

Chief U.S. delegate to the Madrid detente conference. Max Kampelman, said East-West differences were too serious for any significant agreement to be expected.

China's food need

United Nations disaster relief official has said China needs about 1.5m tonnes of grain and rice for flood and drought relief.

Uganda has appealed for international aid to prevent famine in the West Nile, where remnants of Idi Amin's army are said to be active.

Civil protest

A group of Lapp women occupied a room near the office of new Norwegian Premier Mrs. Gro Harlem Bruntland's office in protest against power plant plans. Stay as long as you like, *she said. and ordered them* coffee and sandwiches.

Signor Filibusta

Italian radical Deputy Marco Boato spoke in Parliament for a record 15½ hours to delay an amendment to proposed anti-terrorism laws. He promised to explain another amendment proposal today.

Briefly...

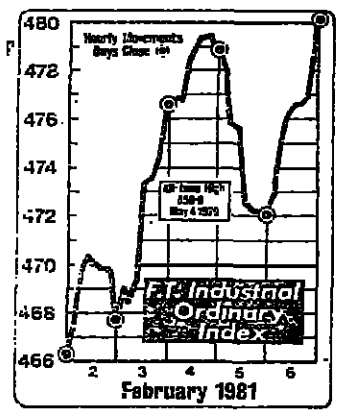
Two Vietnamese refugees, engaged in their homeland, who fled separately. and both happened to arrive in Devon, were married in Exeter.

Thirty-three expeditions from 15 *countries—a record* number —plan to climb the Nepal Himalayas this year.

BUSINESS

Equities add 8.3; gold rises to $502.5

EQUITIES strengthened amid increased enthusiasm about an early cut in Minimum Lending Rate. The FT 30-share index rose 8.3 to 480.3. Page 24



GILTS remained subdued. with the Government Securities Index down 0.03 at 69.30. Page 24

STERLING closed at $2.3440 in London. a rise of 35 points from Thursday. It weakened against European currencies. finishing at DM 5.01 (DM 5.0250). Its trade-weighted index was 103.8 (104.1). Page 23

DOLLAR closed at DM 2.1375 (DM 2.1460) and Y203.75 (Y202.90). Its trade-weighted index was 99.3 (98.9). Page 23

GOLD rose $11 an ounce to $502.5 in London. Page 23

WALL STREET was up 6.99 to 953.75 near the close. Page 20

Massey aid agreed

MASSEY-FERGUSON, the Canadian farm machinery company. received the Canadian Government's approval for C$200m (£70.5m) in aid as part of its refinancing programme. The Federal Government will provide C$125m in loan guarantees and C$75m will come from the Ontario provincial government.

U.S. UNEMPLOYMENT'S overall rate last month was 7.4 per cent—the same as in December—but the proportion of jobless teenagers rose to 19 per cent, the highest for three years.

FIXED RATE DOLLAR Eurobond prices fell sharply. prompting the withdrawal of two issues launched on Thursday. **Back Page**

UK COAL CONSUMPTION will fall from 128m tonnes in 1979-80 to 121m in 1985-86, the National Coal Board estimates. **Back Page**

OLIVETTI, Italian office equipment and electronics group, tripled group operating profits to more than L100bn (£42.4m) last year. **Page 21**

DRESDNER BANK, the second largest German commercial bank, plans to raise DM 275m (£54.8m) through a one-for-eight rights issue. **Page 21**

LLOYDS BANK and AMERICAN EXPRESS are to launch in April a prestige charge card available to applicants earning £20,000 or more. **Page 3**

BANKING, INSURANCE, and Finance Union rejected proposals for new negotiating machinery and dispute procedures for the English clearing banks. **Page 4**

WELLWORTHY Engineering group is to shed 380 jobs because of reduced orders for components in the diesel engine industry. **Page 4**

STODDARD HOLDINGS, carpet group, reported pre-tax losses of £898,000 for the six months to end November, compared with £370,000 profits. **Page 18**

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:					
BOC Intl.	119	+ 5	Berkeley Explrtn.	243	+ 15
Barget	172	+ 12	Durban Deep	859	+ 59
Blue Circle	368	+ 8	Grootvlei	365	+ 35
British Car Auction	70	+ 5	Hartebeest	£27	+ 1½
Davenports' Brewry.	119	+ 8	Minorco	620	+ 70
GEC	635	+ 15	New Wits.	215	+ 45
IDC	71	+ 8	President Brand	£19	+ 1½
Land Securities	397	+ 9	Sentrust	322	+ 24
Lyle Shipping	335	+ 13	Stilfontein	806	+ 60
Martin (R.P.)	156	+ 11	West Drie.	£31	+ 2
Old Swan Hotel (Harrogate)	72	+ 5	FALLS:		
Reardon Smith A.	114	+ 11	Armour Trust	6½	− 3½
Sterling Credit	10¼	+ 1¼	Mercantile House	602	− 18
Stock Conversion	347	+ 9	Mining Supplies	130	− 11
Tate and Lyle	164	+ 10	Phoenix Assurance	252	− 6
Tube Invests.	182	+ 6	Ratcliffe Indusis.	48	− 7
UDS	72	+ 4	Woodside	128	− 10
Wimpey (G.)	95	+ 4	Cons. Gold Fields	428	− 12
Woolworth (F.W.)	56	+ 3½	Intl. Mining	60	− 7
Cluff Oil	370	+ 25	Leichard Explrtn.	65	− 5
			RTZ	372	− 3

DM recovers after Bundesbank acts to lift interest rates

BY STEWART FLEMING IN FRANKFURT AND DAVID MARSH IN LONDON

THE DEUTSCHEMARK recovered sharply in London yesterday after the Bundesbank, West Germany's central bank, took further steps to support its embattled currency against the dollar and the French franc.

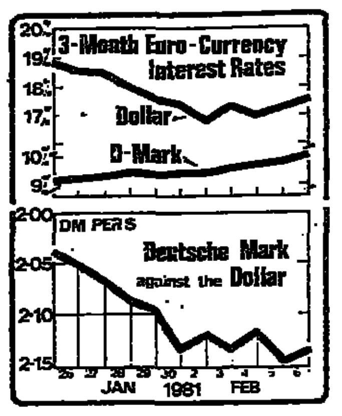
At the end of one of the worst weeks for the D-Mark in the Federal Republic's 30-year history, the Bundesbank acted to stem the slide by driving up interest rates on the Frankfurt money market. It seems to have ruled out for the moment any dramatic moves to bolster its currency.

It also made further large purchases of D-Marks on the foreign exchanges. yesterday taking total intervention to support the currency this week — by central banks in Europe and the U.S.—to more than $1bn.

Earlier in London the D-Mark had touched a three-year low of DM 2.1650 to the dollar, and had also fallen again to its lowest permitted level against the French franc within the EMS, Europe's fixed exchange rate mechanism.

Central bank intervention helped force the dollar down to a close in London of DM 2.1375, against DM 2.1460 on Thursday. The DM is still 20 pfennigs below its level against the dollar at the end of last year.

The dollar also finished *weaker against other currencies*, with the pound losing at $2.3440, up 0.35 points from Thursday.



The Bundesbank intervened publicly at the midday fixing session in Frankfurt, selling $66m and FFr 16.7m. Dealers estimated total intervention during the day at up to $200m.

On the West German money market, three-month interest rates rose to 9.90 per cent compared with 9.50 per cent a week ago.

This followed action to drain DM 4bn from the money market through foreign exchange repurchase agreements, under which it sells D-Marks to banks for dollars and agrees to buy them back at a future date.

The West German authorities *have ruled out any question of* a D-mark devaluation within the EMS.

But in view of the domestic economic downturn, the Bundesbank is seeking to defend the D-mark through the more moderate device of raising money market interest rates rather than the more controversial step of increasing its discount or Lombard rates.

The Central Bank has been under fire for several months for keeping these rates too high in view of the German economy's rapid weakening. It has maintained that high rates are needed to support the mark.

While it is avoiding public controversy, however, it is not clear yet that the shift in money market rates, the real *cost of money* in Germany, is impressing the foreign exchange markets with the Central Bank's determination to follow policies which the markets believe will help to stabilise the currency.

From this point of view the symbolic value of increasing administered interest rates *could prove more effective, and* could become unavoidable if the pressure on the German currency does not ease soon.

The Belgian franc, which has consistently been one of the weakest members of the EMS, also came under pressure yester-

Continued on Back Page
Currency markets, Page 23
Editorial Comment, Page 16

Housing starts drop to lowest post-war level

BY MICHAEL CASSELL

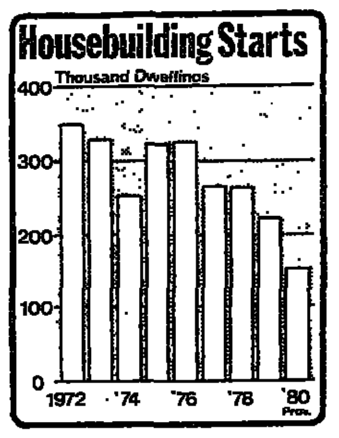
THE NUMBER of new homes started in Britain during 1980 fell to its lowest level in post-war years. Builders expect little or no improvement in the current year.

Provisional Department of Environment figures show that builders began work on 152,000 homes during 1980. compared with 221,000 in the previous 12 months.

Last year's total represented less than half the average annual level of new starts in the early and mid-1970s. With the exception of the war years it is one of the lowest annual figures recorded since the mid-1920s.

The Government faces a full Commons debate on its housing policies on Wednesday and the latest figures will provide the Opposition, which is warning of a housing crisis, with fresh ammunition.

According to the Department, the number of public sector homes started last year dropped to 53,600. a fall of 26,700 from 1979 and less than half the level achieved two years earlier. In the wake of public spending cuts, the total in this sector could fall to 40,000 or lower



during 1981. some predictions put the figure at 26,500 within three years.

Output in the private housing sector was equally disappointing. Builders were unable to step up their programmes because of high interest rates and slack demand. Contractors made a start on 98,400 homes during 1980. a fall of 42,200 from the previous twelve months and less than half the number of private houses being started at the beginning of the 1970s.

Builders do not expect to achieve any substantial improvement in output during 1981, with the latest estimates suggesting starts might reach around 110,000.

The early weeks of this year have, however, seen a big increase in the level of inquiries from potential buyers and the private sector is anticipating a steady rise in output, with 1982 showing a substantial increase in new starts.

Combined housing completions in 1980 amounted to 229,100 against 236,200 in 1979, that year's was one of the lowest annual totals recorded in recent years. In the public sector, completions reached 104,500 while private homes made ready *for occupation amounted* to 124,600.

Mr. Neil McIntosh, director of Shelter, the housing lobby group described the figures as shameful. He said that the impact of the slump in housing construction would be felt in two or three years time.

He said: "We are already well on the way to the shortage of half a million homes predicted by the House of Commons Select Committee on the Environment last July."

Alcan bid for UK subsidiary

BY JOHN MOORE

ALCAN ALUMINIUM, the Canadian aluminium group, has made an offer worth £12.2m for an outstanding 22 per cent stake in Alcan Aluminium (UK), its publicly-quoted UK subsidiary.

The Canadian group owns 78 per cent of the UK company's equity. If the offer is successful for the outstanding 10.2m shares, the Canadian group will have full ownership.

Alcan Aluminium is offering shareholders in the UK company 120p for each of their shares. The consideration will be satisfied through an issue of Alcan common shares.

Shares of Alcan Aluminium (UK) were suspended on Tuesday at 52p ahead of yesterday's announcement.

Alcan said yesterday that the profitability of the UK subsidiary had declined in recent years. The directors do not expect to recommend any final dividend for 1980.

Profits before tax in the first half of 1980 were £7.2m. Alcan Aluminium (UK) has suffered a loss in the second half "so that the result for the year will show only a small profit before tax."

Losses are expected to continue into 1981 due to the economic conditions in the UK, to the exchange rate of the pound, and to reduced level of demand in European aluminium markets. There would be a further increase in the company's borrowing.

Alcan UK directors considered that in view of the problems and the need to maintain the investment programme and conserve financial resources the UK company would be better assured as a wholly-based member of the Alcan group.

Lex, Back Page

CONTENTS

For latest Share Index phone 01-246 8026

Steel puts terms to Social Democrats

By Elinor Goodman

MR. DAVID STEEL the Liberal leader. last night spelt out the price social democrats would have to pay for Liberal co-operation.

He made it clear there could be no agreement unless Labour MPs belonging to the Council for Social Democracy were prepared to campaign for proportional representation and endorse the Liberal Party's broad objectives.

The Liberals, he said, were ready to discuss a "framework for co-operation." But there could be no co-operation without a consensus on the "national priorities" which any Liberal and social democratic alliance would pursue both in this Parliament and at the next election.

Almost all the priorities spelt out by Mr. Steel were in line with the stated aims of the CSD — a "positive strategy for industrial recovery" for example—but the council has not yet publicly committed itself to proportional representation.

Over the next week, the Liberals are likely to focus their negotiations with the social democrats on this issue. The willingness of the Gang of Four—Mr. Roy Jenkins, Dr. David Owen, Mr. William Rodgers and Mrs. Shirley Williams—to endorse this aim may well become a token of their willingness to put something into an alliance.

Mr. Steel's declaration of terms came at the end of a week in which the Liberals have become steadily more assertive. Mr. Steel has made it clear that the Liberals are not prepared to be used as a vehicle for a surrogate Labour Party and that co-operation will depend on the council committing itself to more than just right-wing Labour policies. Provided they endorse the Liberal's priorities, the Social Democrats should be able to count on Liberals not opposing them if they stand as social democrats.

The Liberals seem confident that they will be able to agree with the social democrats on priorities even though some Liberal MPs are highly suspicious of the motives of some of the 11 Labour MPs belonging to the new party.

£ in New York

—	Feb. 5	Previous
Spot	$2.3310-3330	$2.3470-3480
1 month	0.65-0.72 pm	0.68-0.75 pm
3 months	2.45-2.55 pm	2.30-2.40 pm
12 months	6.90-7.10 pm	6.80-7.00 pm

General Motors injects £105m into Vauxhall

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

GENERAL MOTORS has injected a further £105m into its UK subsidiary, Vauxhall Motors, to cover losses, Mr. James McDonald, GM's new president, said in London yesterday.

Mr. McDonald, who moved into his new post only last Sunday, made a determined attempt to stop suggestions that GM was intent on slowly running down Vauxhall. These have been prompted by the recent decision to cut the workforce by 5,700, or 20 per cent.

He said the capital injection for Vauxhall had been made towards the end of last year even though GM knew it was heading for its first loss since 1921—a $763m (£318m) loss on world sales of $5.7bn (£24bn).

"That money (for Vauxhall) bought us no physical assets, no improvement in operations.

"If we were going to back out of Vauxhall, it would have been at that time. So that is an indication that we desire to stay strong in Britain."

Mr. McDonald said there had been the usual debate inside GM about whether Vauxhall should get more cash, but the Board had had no hesitation in making the allocation.

GM had approved capital investment totalling £75m for Vauxhall for the next three years, he said.

This represents a relatively small part of the £1bn GM is spending to expand substantially its European operations by 1984. Projects include an assembly plant and components plants in Spain, an engine plant in Austria and facilities at Opel in West Germany. Vauxhall's capital expenditure was £73m in the past three years.

Mr. McDonald made clear that "future investment at Vauxhall must be based on the success of the UK operations and the support of all elements of the workforce.

"It is no secret that the return on investment and the productivity of Vauxhall's operations have been disappointing in the past. But there are now encouraging improvements."

Vauxhall has recorded a net profit in only two years since 1969. The previous record loss

Continued on Back Page

BL's Metro and Ford's new Escort helped reduce the importers' share of the January new car market. Ford also contributed by bringing in fewer cars *assembled on* the Continent. The percentage of "captive" imports in its monthly sales dropped from 53 to 33.

Although the Japanese share of the January market jumped from 7 per cent to over 12 per cent, this was lower than expected. Page 4
***The De Lorean project* Page 16**

£1bn tap launched

BY DAVID MARSH

THE GOVERNMENT carried forward the momentum of its heavy borrowing programme yesterday by launching a £1bn medium-term tap stock to replace the convertible issue sold out during the week.

The new stock, 12 per cent Treasury, 1986, will be put on sale next week by the Bank of England in partly-paid form.

£20 per £100 nominal is payable at the tender on Wednesday and £30 on March 13, the balance due on April 10.

Minimum tender price is £96, where the running yield will be 12.50 per cent and the gross yield to final redemption 13.08 per cent.

The stock was favourably received by the gilt-edged market, which closed *steady*. It *has absorbed well over £1bn of* Government bond sales in the last fortnight.

Disappointment that the Minimum Lending Rate was not cut on Thursday has now been shrugged off. City analysts hope for a cut of perhaps 2 percentage points in the Budget next month.

The downward trend of interest rates was confirmed with a *renewed* fall in average rate of discount at the weekly Treasury bill tender.

The rate fell to 12.42 per cent from 12.61 per cent last week, making the eighth successive weekly decline.

At the present level of short-term interest rates the money *market has already discounted* a fall of MLR to 13 per cent from the present level of 14 per cent.

The Treasury reduced interest rates on certificates of tax deposit in line with falling money market rates. These deposits are used mainly by oil companies in anticipation of payment of tax.

Rates on deposits used to pay tax will fall to 12½ per cent from 13½ per cent on Monday, while on deposits withdrawn for cash, the rate falls to 10 per cent from 11 per cent.

Lex, Back Page

OVERSEAS NEWS

Pakistan poised for talks with Karmal regime

BY DAVID DODWELL IN ISLAMABAD AND DAVID HOUSEGO IN LONDON

PAKISTAN appeared ready yesterday to proceed without Iranian participation towards talks with the Babrak Karmal regime in Afghanistan, which Western and Moslem diplomats increasingly fear could risk conferring recognition on the Soviet-backed government.

In New Delhi, Mr. Shah Mohammed Dost, the Afghan Foreign Minister, equally gave the impression of a gathering momentum towards negotiations. On his arrival for next week's meeting of Foreign Ministers of the Non-Aligned he said that his country was *ready for separate talks in New* Delhi with Pakistan and Iran in the presence of Dr. Kurt Waldheim, the UN Secretary General.

Mr. Dost also indicated Afghanistan's readiness to take part in talks without insisting on prior recognition. This is believed to be the first time that Kabul has publicly shown flexibility on this point.

In Islamabad. Mr. Agha Shahi, the Pakistani Foreign Minister, who has just returned from a visit to Tehran, was privately pessimistic about the chances of Iran taking part. Iran wants the Afghan insurgents to be represented and is sceptical that the Soviet Union *is ready for a genuine with*drawal of troops.

Mr. Sarafaz, the chief Iranian delegate, said Iran would demand the expulsion of Iraq, Afghanistan and Egypt from the non-aligned movement.

Mr. Shahi who initiated the proposal last month for three-sided talks between Pakistan, Iran and the People's Democratic Party of Afghanistan, with the participation of a UN official, said yesterday that "at least the concept of the talks must be tri-lateral. If Iran is not present at least a chair must be there for them."

But diplomats do not believe that Pakistan would be prepared for talks on Afghanistan on Indian soil. Dr. Waldheim is due in New Delhi on Monday, however, to attend ceremonies to mark the 20th anniversary of the non-aligned movement. He is expected to pursue further *the terms on which a UN emis*sary—likely to be Perez de Cuellar of Peru, Under-Secretary for Political Affairs in the UN Secretariat—might be appointed.

One of the dilemmas before Dr. Waldheim is that he is bound by the terms of a UN resolution on Afghanistan which calls for the withdrawal of Soviet troops and the setting up of a government of popular choice. But this resolution is not acceptable to the Russians or the Babrak Karmal regime *as a basis for negotiation.*

In what is becoming increasingly complex manoeuvring over Afghanistan Mr. Peter Blaker, Minister at the Foreign Office, *saw President Zia-ul-Haq and* Mr. Agha Shahi in Islamabad on Thursday. Mr. Blaker said yesterday that Britain backed Pakistan's efforts to seek UN supervised talks. But he firmly nailed these to the terms of the UN resolution and claimed this was Pakistan's goal as well.

Pledge by Polish Church ends strike

BY CHRISTOPHER BOBINSKI IN WARSAW

DELEGATES representing 60,000 striking workers in the Bielsko Biala region of southern Poland, voted to go back to work yesterday after assurances from the Polish church that the authorities *would fulfil their side of the* agreement ending the strike.

The 10-day stoppage was in support of demands that local government officials accused of corruption by the local branch of Solidarity, the independent trade union, be dismissed. Mr. Josef Kepa the Minister of Local Government, arrived at Bielsko in the early hours of yesterday and gave assurances that the local government head and *his deputies would be dis*missed.

Bishop Bronislaw Dabrowski, Secretary of the Polish Bishops' Conference, then gave the strikers the personal guarantee of Cardinal Stefan Wyszynski, the Polish Primate, that the promise would be kept.

The strikers were also promised full pay for the 10 days despite a Government *order* which came into force on Thursday decreeing that strike pay should be only half the normal basic wage. Settlement of the Bielsko Biala dispute indicates that hard liners *in the Polish party* leadership are losing ground on the eve of a Central Committee meeting due to start on Monday.

Mr. Tadeusz Drapski, the party secretary in charge of relations with the union, was to have delivered a hard-line keynote speech at this meeting, accusing Solidarity of having turned into an Opposition political party. *Following the agreement in* Bielsko and the intervention of the Polish Church, this speech may now be shelved.

Yesterday Cardinal Stefan Wyszynski was scheduled to meet farmers' representatives who are demanding that the authorities recognise their right to set up a trade union. Until now the authorities have resisted but the Polish Church leader's support for the farmers may prompt them to *think again.*

Corruption behind the crisis of confidence

BY ANTHONY ROBINSON, EAST EUROPEAN CORRESPONDENT

Cardinal Wyszynski . . . promise

THE DRAMATIC intervention early yesterday by the Polish episcopate to break the deadlock reached in the 10-day strike in Bielsko Biala province in southern Poland marks a significant new development in the Polish crisis.

In effect, the Church has agreed to act as guarantor that the State will fulfil its obligations and so resolve the crisis of confidence in party and *Government which lies at the* heart of the Bielsko Biala strike.

The move by Bishop Bronislaw Dabrowski, secretary of the episcopate, acting with the full authority of the Polish Primate, Cardinal Stefan Wyszynski, represents the most open intervention by the Church in Poland's political affairs since *the crisis began last summer.* The Church has acted ostensibly on behalf of the Government, but principally because it recognises the need to reinforce *authority in the face of a* clearly-perceived danger not only to the authority of the Government but, more importantly, to Poland's sovereignty.

Until now, relations between Church and State have been based on mutual respect for the principle of separation between Church and State. The decision *to intervene on behalf of the* State carries considerable risks and lays the Church open to both internal and external criticism.

Belief in the overriding need to reinforce the authority and prestige of the Polish party and Government is now shared not only by the Church but also by many of the leaders of Poland's largest independent trade union, Solidarity, particularly by its leader Mr. Lech Walesa and those closest to him. But the most powerful obstacle to this restoration of authority is the widespread corruption and abuse of power which has been revealed since the summer and *the party's record of clawing* back concessions once made.

A recent unofficial public opinion poll carried out by the State TV market research department indicated that a guarantee of regular and adequate food supplies was the top priority of most Poles. This was closely followed by the demand to stamp out corruption and punish the corrupt. Demands for greater democracy and liberalisation came a poor third.

The fact that anger at corrup*tion is so strong is one of the* major reasons why Solidarity has been deflected from its main economic and trade union activities. It has increasingly *been seen by many Poles as the* most appropriate vehicle for the expression of all the pent-up anger and frustration which has accumulated over the years.

In retrospect it appears that the massive growth in corruption occurred as an indirect consequence of the local government and party reforms introduced by the former Party secretary Mr. Edward Gierek in 1975. This abolished the former 17 voivodships, or regions, and substituted a much greater sub*division into 49. Then many of* the newly appointed party voivod heads proceeded to arrogate themselves and their followers the sort of privileges formerly enjoyed by the 17 voivodship bosses.

To build up their power base, the newly-chosen local party bosses began to by-pass party headquarters in Warsaw. They intervened directly with various Government Ministries to ensure that investment funds and new plants were channelled to their fiefdoms and to ensure *funds and supplies, a Mafia-style* network of bribes and favours developed.

The result was an explosion of unplanned investments throughout the country, many involving foreign finance and imported foreign plant and equipment. This is partially reflected in the fact that many of the most spectacular cases of bribery, misallocation of funds, salting away of hard currency in foreign bank accounts and other abuses have been revealed in the Foreign Trade Ministry and foreign trade enterprises.

Over-investment not only strained the economy and increased inflation, it also became the source of many of the building and other materials which subsequently found their way into the construction of luxury villas and the like which aroused such hatred among ordinary Poles facing longer meat queues and growing shortages.

Soviet warning

IN ONE of the toughest **Soviet warnings yet against Polish labour unrest, the official news agency Tass yesterday accused the KOR dissi*dent group* and "right-wing" leaders of Solidarity of delications and blackmail" of the Polish authorities. Tass claimed that counter-revolutionary forces had launched a "frontal attack" on the party and people's power, trying to undermine the country's economy still further and complicate the lives of all *Polish citizens.***

S. Africa withdraws Bills on city blacks

By Bernard Simon in Johannesburg

THE South African Government has withdrawn three controversial Parliamentary Bills which would have severely curtailed the freedom of movement of large sections of the country's black population and eroded the rights of blacks living in urban areas.

Announcing the decision yesterday, Dr. Piet Koornhof, Minister responsible for black affairs, said the Bills would be referred to a committee of experts for "penetrating revision." The Government hopes to re-submit the revised Bills to Parliament later this year.

When the Bills were unveiled last year, Dr. Koornhof and other Government officials hailed them as a major step in the reformist race policies of Prime Minister Mr. P. W. Botha. Among the changes they proposed was to extend the period for which black visitors may remain in the cities from three days to a month.

But careful examination of the Bills by Opposition politicians, legal experts and others, revealed that some of the proposed changes were more restrictive than the status quo.

In particular, the Black Communities' Development Bill *proposed the abolition of* "Section 10" rights which at present give blacks a legal right to permanent residence in the cities if they have lived and worked there for more than 10 years. Instead, their right would depend on having suitable housing and jobs.

The Bill also provided for a sharp increase in penalties for contraventions of influx control

● The external news service of the State-controlled South African Broadcasting Corporation received R365,000 (£202,000) from the former Department of Information, Mr. Pik Botha, the Minister of Foreign Affairs, said yesterday. The Department had drawn the funds from both open and covert sources, Mr. Botha added.

It was also declared that a leading branch of South Africa's Dutch Reformed churches secretly received R178,000 (about £100,000) from the department to set up a "Directorate of Ecumenical Affairs" aimed at promoting South Africa in international religious circles.

Giscard and Schmidt urge moderation

BY ROBERT MAUTHNER IN PARIS

FRANCE and West Germany yesterday adopted a joint political declaration in which they undertook to take a "common and resolute action" to deal with any destabilisation of the international situation and threat to world peace.

The declaration was adopted at a two-day summit meeting between President Valery Giscard d'Estaing of France and Herr Helmut Schmidt, the West German Chancellor, during which they also discussed economic problems.

The political declaration came as something of a surprise, given that the regular meeting was originally intended to deal mainly with cultural relations. However, the two leaders were clearly anxious to demonstrate to both the U.S. Administration and the Soviet Union that they would have to take account of Europe's voice in settling world problems.

President Giscard's desire to counter recent rumours that differences had arisen between France and West Germany over East-West relations, which might have harmed him during the coming Presidential election campaign, was another important consideration behind the declaration.

The declaration was a careful compromise between France's recent *conversion to a harder* line towards the Soviet Union and West Germany's more cautious approach to East-West problems.

After expressing the two countries' determination to co-operate "in a spirit of confidence" with the new U.S. Government, the declaration set out three conditions for the "stabilisation" of East-West relations and the maintenance of world peace:

● A proper balance between East and West rules out both the acceptance of a weak position by either of the two camps and attempts to achieve military superiority. The limitation of armaments must respect the principle of the "global balance of forces."

● All signatories of the final act of the Helsinki conference should show "moderation" in their political relations with each other. In this context, the declaration implicitly states that Poland should be allowed to solve its own problems without outside interference. France and West Germany also referred back to their joint declaration of a year ago in which they condemned the *Soviet intervention in Afghanistan*

● All countries are equally responsible for solving the great economic and social prob*lems of the world.*

Diplomat seized in Beirut

Gunmen yesterday kidnapped Mr. Hisham al Meheisen, Jordanian Charge d'Affaires in Beirut, after killing his Jordanian bodyguard and wounding a Lebanese security man. Ibsan Hijazi reports from Beirut.

A group called "Eagles of the Revolution" later claimed responsibility for the kidnap.

Mideast initiative

Sir Ian Gilmour, Britain's Lord Privy Seal, said in Damascus that Syria welcomed the idea *of an independent European* initiative on the Middle East.

Benguela rail move

Angola, Zaire and Zambia have agreed measures to speed the renovation of Benguela railway, which carried 1.9m tonnes of cargo in 1974 before becoming the target of anti-Government *Angolan guerrillas, Reuter* reports from Lusaka.

Turkish debt talks

Turkish bankers and a working group of major international banks meet in London on February 17 to discuss extending the maturity of a \$3.2bn (£1.4bn) Turkish debt. Barclays will host the meeting also attended by Citibank Bankers Trust, Morgan Guaranty, Deutschebank and the Union Bank of Switzerland, Metin Munir re*ports from Ankara.*

Iraq using Turkish oil pipeline

By Patrick Cockburn

IRAQ has been exporting oil through its 625-mile pipeline through Turkey at a rate of 560,000 barrels a day according to Turkish officials. The pipeline has been used since November last year.

Before the war, Iraq was exporting about 3.5m b/d, mainly through its two terminals on the Gulf. These were closed by the fighting and in December were badly damaged by an Iranian attack.

The only other way Iraq can export its crude is through Syria. At the beginning of December the Iraqi Oil Minister, Mr. Tayeh Abdel Karim, confirmed, that Damascus had agreed to allow Iraqi crude to be sent through its territory

Reuter adds from Tehran: Iran's political divisions erupted yesterday into street violence in which about 40 people were wounded as Islamic Fundamentalists brandishing rifles, knives and stones broke up the first major Left-wing demonstration in Tehran for eight months.

The demonstration, held in defiance of a Government ban, attracted about 5,000 militant members of the Marxist-Leninist Fedayeen-I-Khalq movement and the Ultra-Leftist *Peykar*

SOUTH KOREA SEEKS JOINT VENTURE

Seoul bid to boost car output

BY ANNE CHARTERS IN SEOUL

SOUTH KOREAN Government efforts to restructure the automobile industry began last August, when Hyundai Motor Company was handed a potential monopoly of the car industry.

Daewoo, General Motors joint venture partner in Saehan, was to have the power generation equipment industry to itself in exchange for its share in the car company. These changes were part of a Government scheme to make Korean industry more productive and competitive.

The master plan calls for General Motors Hyundai to form a joint venture in order to increase efficiency of the industry at the time Saehan and Hyundai's production lines were operating at 30 per cent capacity.

Talks between the two companies became deadlocked in autumn, however, because GM was reported to be insisting on controlling 50 per cent of the new company while Hyundai opposed any foreign participation in excess of 20 per cent.

David Tonge reports on the Fund's borrowing requirement

IMF trawls for contributions

"WHAT HAPPENED *in* Davos?" will be one of the questions asked by the central bank governors, who meet on Monday in Basle in the stack of *cream coloured* cylinders which make up the buildings of the Bank for International Settlements.

The question refers to talks this week in the Swiss mountains. Their outcome is crucial to one of the central issues facing the governors in the months ahead—how to fund the International Monetary Fund.

The IMF needs to raise at least 6bn Special Drawing Rights (\$7.5bn) this year and could require as much as 8bn SDRs (\$10bn). "Fund lending could begin to dry up by May unless a borrowing package is in place by then," one official warns. But the elements of the huge package required are now *beginning* to take shape.

The package has been patiently put together by M. Jacques De Larosiere, the managing director of the IMF, in a series of meetings inside the Fund, the BIS and during trips to the Gulf and Davos. It was there that he met Sheikh Mohammed Ali Abalkhail, the Saudi Finance Minister, to dis*cuss proposals* given to the Saudis at Christmas.

The key element of the package conceived by the IMF is that the main Arab oil exporters should contribute 4bn to 6bn SDRs. Initially, *the Saudis* dragged their feet because of the row caused by the exclusion of the Palestine Liberation Organisation from the IMF and World *Bank* annual meetings.

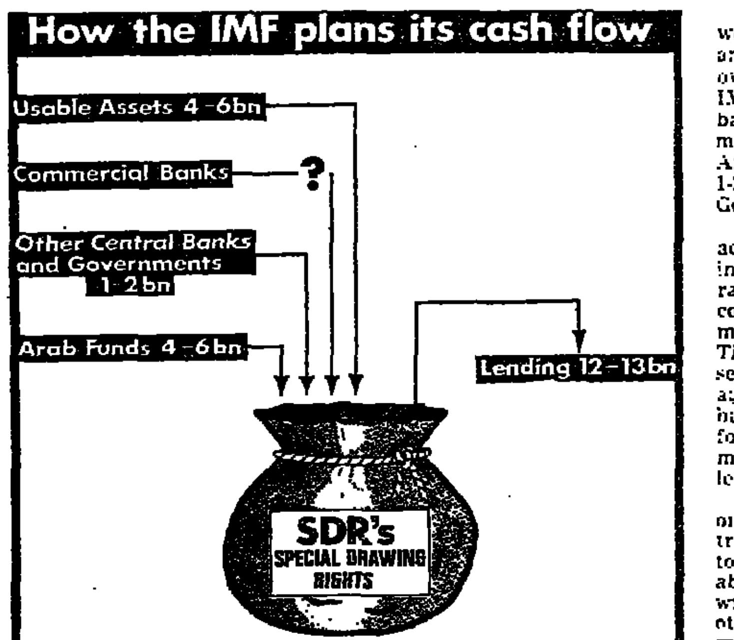
A special committee of the governors of the two bodies has failed to bridge the differences which then emerged, but this week at Davos Sheikh Abalkhail said he did not expect the obstacles to be a problem. However, two other difficulties have still to be overcome.

The first is that the Saudis *are insisting on a major* increase in their voting power at the IMF. The usual criteria applied in fixing this—size of GNP and trade, for population —do not include the Saudis' strongest point, that they are a huge creditor of the Fund.

The IMF staff are considering increasing Saudi Arabia's votes from the present 1.75 per cent to around 3 per cent, a *level* similar to China and Italy. But the Saudis want a larger increase.

The second problem is that *the Saudis want to make the* IMF a fixed-term loan, while the IMF is looking for a line of credit. The IMF argues that it does not have the staff and experience to manage large investable sums.

How the IMF plans its cash flow



Uncertainty over how matters would proceed with the Saudis and other oil producers have overshadowed the contacts the IMF has had with other central banks and governments. If matters go forward with the Arabs, the IMF will need about 1-2 bn SDRs from these other Governments.

"It has had plenty of offers," according to one official involved. Countries approached range from major industrialised countries to a number of richer members of the Third World. *The Fund is reportedly not* seeking to reach a standard agreement with each country, but sounding out lenders on the format they would prefer; in most cases this apears to involve lending through central banks.

The IMF's anxiety about many oil-importing developing countries lies behind its attempts to boost the funds it has avail*able for lending. In parallel* with its talks with Arab and other Governments, it has also made progress on its "third track"—the idea of borrowing from the markets.

When it will take this major step depends on the success of its present talks with Governments. "The IMF would prefer to borrow private funds than *allow its liquidity to fall below* what it considers a prudent level," one official explains. But though some people argue that the Fund should now "put its toe in the water," the present feeling favours delay.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates \$365.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

UK NEWS

Government silent over Paisley's election 'stunt'

BY OUR BELFAST CORRESPONDENT

THE GOVERNMENT maintained a deliberate silence yesterday in response to the Rev. Ian Paisley's show of strength involving 500 "defenders" of Northern Ireland's constitutional position within the UK.

Northern Ireland Ministers decided to make no official comment on what they believe was an electioneering stunt in the run up to the province's council elections in May.

They believed a Government response would be seen as giving credence to the idea that Northern Ireland is being "sold out" through the current joint studies into Anglo-Irish relationships.

Mr. Paisley took five journalists to a remote hillside in County Antrim where 500 men were lined up in ranks in the dark. On command the men held up documents said to be firearms licences.

Mr. Paisley, leader of the Democratic Unionist Party, said it was a token representation. He claimed thousands of Protestants were prepared to defend Ulster against the threat posed by December's summit meeting in Dublin between Mrs. Thatcher and Mr. Charles Haughey, the Irish Premier.

Since Mrs. Thatcher's talks in Dublin Ministers have consistently maintained that no secret deal was struck and yesterday Mr. Paisley's allegations of a sell out were being dismissed in London as a myth of Mr. Paisley's own creation.

However, the demonstration brought demands from Roman Catholic politicians for a police investigation into the identity of the holders of firearms licences.

The non-sectarian Alliance Party said it was a blatant attempt to exploit genuine worries and fears for Mr. Paisley's own narrow political ends.

The official Unionist Party, over which Mr. Paisley will be seeking a major victory at the local council poll, also saw the operation as an election gimmick, but made no comment.

And the incident increased the worries of some Tory backbenchers about the government's handling of the Dublin talks. Mr. John Biggs-Davison—one of the two MPs who unsuccessfully called for an emergency debate yesterday—accused Mr. Paisley of exploiting the suspicion created by the talks. Mr. Dennis Concannon, the Opposition's Northern Ireland spokesman, also accused Mr. Paisley of exploiting the uncertainty created by Mrs. Thatcher for his own ends.

On ITN, however, Mr. Paisley angrily denied that his action had anything to do with the local elections. He warned that if Mrs. Thatcher refused to "use the parliamentary forum" to answer questions about her talks in Dublin the people of Northern Ireland were prepared to give their answer in their own way.

Meanwhile on the same television programme Mr. Gerry Fitt, the Roman Catholic MP for Belfast West accused Mr. Paisley of wanting to get arrested. He also called for an assurance from the Government that no members of the security forces were involved.

There were fears that the show of strength will raise tension again, especially with the threat of a renewed hunger strike by Republicans in Northern Ireland jails next month.

Meanwhile, Constable Charles Wilson Lewis, 38, a full-time member of the RUC reserve, was shot dead in a Belfast ambush, as he and a colleague left a newsagent's shop. The other constable was wounded.

Harman loses contempt appeal

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

MISS HARRIET HARMAN, a solicitor and legal officer of the National Council for Civil Liberties, was guilty of a serious contempt of court when she showed a journalist confidential Home Office documents after they had been read in open court, the Court of Appeal ruled yesterday.

Lord Denning said the 800 documents had been disclosed to Miss Harman for the purposes of a case in which she was acting for an ex-prisoner suing the Home Office.

She had a duty, of which she had been fully aware, not to allow the documents—concerned with Home Office policy on prison control units—to be used for any purpose other than the case's conduct.

Yet she had allowed Mr. David Leigh of the Guardian to see them and make notes which he used to launch "a wholly unjustified attack" on Ministers and high civil servants.

Miss Harman's conduct had been a gross breach of the implied undertaking given by a solicitor to the court not to allow disclosed documents to be used for any ulterior purpose, said Lord Denning.

The court unanimously dismissed with costs Miss Harman's appeal against the contempt finding made against her by Mr. Justice Park in the High Court last November.

Lord Denning said Miss Harman had believed that she had obtained the documents on behalf of NCCL; that it was "a legal milestone" on disclosure; and that NCCL could use them as a case study on how high government policy was reached.

She had been under a grave misapprehension, said Lord Denning. She had been given the documents for the purposes of a case for which she was being paid by the Legal Aid Fund.

Her "milestone," he said, would have to be taken up and set back a bit.

Her defence was that, because the documents had been read in open court, they were "in the public domain." But, said Lord Denning, fundamental human rights included the right to have the privacy of one's confidential documents respected—a right that could only be overridden in the interests of justice.

Reporters could note what was said in court and write a fair and accurate report of the proceedings. But there could be no further use of confidential documents without their owner's consent.

"It is of no use to plead the freedom of the Press. The Press is not free to publish confidential documents without the consent of the owner."

Government policy documents should be treated as highly confidential. The danger of disclosure was that critics would seize on confidential information to seek changes in Government policy, or to condemn it.

"So the machinery of Government will be hampered, or even thwarted."

Referring to Press and Parliamentary criticism of Mr. Justice Park's ruling, Lord Denning said: "I wish people who criticise the decisions of judges would study the facts first."

Lord Justice Dunn said it was no part of a solicitor's duty to help the Press by providing information from confidential documents.

A reporter could check the exact wording of a document with a lawyer. The judge had never known such a request to be refused, nor saw any reason why it should be.

Such a disclosure of a document would be at most a technical contempt.

Pub's place in drink industry declines

BY GARETH GRIFFITHS

THE DECLINE in the relative importance of pubs for the British drinks industry is reflected in liquor licensing statistics for England and Wales published by the Home Office yesterday.

The number of licences granted where drink is consumed on the premises rose in the year ending June 30, 1980, by 2,000 to 90,800.

The increase was mainly in licences to restaurants and guest houses. These jumped from 19,200 to 20,600, almost double the figure 10 years ago.

By contrast, the number of licences granted to pubs and hotels open to non-residents was 67,100, only 4 per cent higher than the 1970 figure. Pubs now account for just over half the total licensed premises in England and Wales (128,100). In 1970 pubs accounted for more than 60 per cent of the total.

The increasing importance of supermarket trade is spotlighted by the fact that one in six of all off licences granted went to supermarkets first licensed since 1978.

● Wine sales in the UK continued to decline in November. The Wine and Spirit Association yesterday forecast a fall in total sales volume. Final figures will not be available until after the Budget.

Imported wines and light wines in particular have escaped the recession's full impact. British made wines such as fruit wines and British sherries have shown the sharpest falls.

The annual total of wine on which duty has been paid showed a fall of 0.5 per cent in November compared with the same period in 1979. The annual total is the best guide to the state of business in the wine trade and in November this was 397.1m litres compared to 399.3m litres in 1979, a fall of 2.2m litres.

Potteries try to cover the cracks

PETER CARTWRIGHT looks at the financing, manpower and planning problems faced by the makers of volume and top quality tableware and ornaments.

THE RECESSION in the pottery industry, which started last spring, particularly in the production of tableware and ornaments, is likely to continue for most of this year.

From May, 1980, unemployment swiftly doubled to about 20,000, or one in ten, while job vacancies halved to 400.

In just over a year membership of the Ceramic and Allied Trades Union, has contracted by nearly 10,000 to about 30,000. Short time working has become widespread, with many sections on one or two days a week. Most of the redundancies have inevitably come from the two big groups, Wedgwood and Doulton, which account for nearly two-thirds of total employment.

It is likely to be a long time before the industry improves. Some departments are still on full-time, a few smaller potteries are back to normal working, though with reduced workforces, and two or three specialist potteries are busy.

Caverswall China, for instance, which has established a high reputation for its vases, ornaments and tableware, is still expanding. It has increased its workforce from 60 to 85 over the past year and almost doubled its exports. Where quality of craftsmanship is the determining sales factor, as with the best products of the more traditional companies like Doulton, Wedgwood and Royal Worcester Spode, the impact of the recession has been much less. And it shows a more general faith in the future of the industry than that of three companies which have gone into receivership, two have been rescued by business consortia, John Maddocks and Crown Trent. The fate of the third, Lord Nelson, is not yet settled.

The three companies represent three sections of the industry: hotel ware, tableware and ornamental ware, the last a much more voltatile business and currently under attack from Taiwan and other low-cost countries.

The major factor in the reversal of fortunes in an industry which only a relatively short time before took on more than 2,000 extra workers to cope with the boom, is the growing strength of the pound, which has pared margins to the bone.

High interest rates here and in North America, still the top market for many producers, have made it very costly to hold stocks. Part of the present slackness is due to destocking at American and UK warehouses, and this is continuing. Fuel costs, already a cause for concern, are going up again, and the union, which last year, negotiated a 14 per cent pay rise, will shortly be putting in this year's claim.

The response of the industry has been the classic one of improving productivity by eliminating over-manning and reducing manpower still further, while still bearing in mind the need to retain a balanced labour force able to take advantage of the upturn when it comes.

The bone china and top quality end of the market has less elasticity than most other sectors. It takes a decade or more to train a first class designer or decorator—15 years to paint the famous Royal Worcester fruit bowls—and dedication and loyalty among staff are important.

But unnecessary labour has to be eliminated, particularly by the volume tableware makers selling to price-conscious customers. Automation or mechanisation of some processes such as making and placing cup handles, is being pushed ahead. In an effort to improve productivity while retaining essential skills, the Doulton group has spent nearly £2m on a new research and development centre to co-ordinate and reinforce the work among its 19 factories.

Doulton and Wedgwood are studying the potential for dust pressing instead of moist clay for flatware like plates and saucers. This technique is already applied in the tile sector, and companies in Italy, France and Germany are said to have reached a semi-commercial stage of development in tableware.

But for the tableware section and all others in the consumer end of the business the great debate is over the way in which retail markets here and abroad are likely to change in the next four or five years, because those who guess right now will be best able to respond.

Retailing has always been changing, but never quite as quickly as now, with all kinds of monetary and other incentives to buy.

Gold charge card to be launched in April

By Alan Friedman

LLOYDS BANK and American Express stepped up the social ladder yesterday. At a City ceremony officials from both banks signed an agreement to launch a prestige plastic card in April.

They hope to attract an initial 250,000 card-holders to the Gold Card scheme in Britain. It represents American Express's latest effort to arrange joint deals with European banks.

The scheme includes an unsecured overdraft of £6,000 with Lloyds at a rate of 2¼ per cent per annum more than the bank's base rate. In addition, card-holders will receive a £100 cheque-cashing facility at Lloyd's branches, a Lloyds Cashpoint Card enabling withdrawal of up to £100 a day from cash-dispensers, a facility to draw up to £1,000 in cash and travellers cheques at American Express travel offices world-wide, and £70,000-worth of travel-accident insurance at no cost when the card is used to buy travel tickets.

The card will be available on application to Lloyds. Annual membership will cost £40. There will be a £20 joining fee.

Although specific membership criteria were not announced, the card will be available to applicants with an annual salary of £20,000 and more.

The scheme adds another plastic payment system to the fast-growing market-place. Access and Barclaycard-Visa are standard credit cards but American Express falls under the rubric of travel and entertainment charge cards.

Mr. Pat Stacey, marketing manager of Natwest-Access, said yesterday that Access was not designed for the same market as American Express.

Lisa Wood looks at fish farmers' hopes of hooking new markets

Nowt like trout to tickle the palate

"THERE'S nowt like trout," says a sticker put out by Britain's trout farmers who are battling to win markets for their produce.

Their investment and effort to produce the fish commercially has reduced the real price of truot by about 50 per cent over the past four year, but the British housewife tends to stick to cod and plaice.

This resistance is causing concern in the shires as fish farmers fear a glut if advertising efforts fail to increase demand for their product.

There are about 400 fish farmers in Britain. Some are owned by multi-nationals, such as Kraft of the U.S., while others are run as very small businesses by farmers or people who have often abandoned more conventional occupations. In all, about 6,000 tonnes of trout were produced last year.

Farmers cite three main obstacles to expanding their businesses and increasing profitability.

They are: the established idea that trout is a luxury food; the trend towards the purchase of frozen and processed fish; and the lack of co-ordination between farmers who often put unexpected quantities of fish on to the slabs at Billingsgate market, which can seriously depress prices.

Mr. Peter Jones, secretary of the British Trout and Marketing Association, said: "Very few housewives think of trout as an alternative to sausages. They think it is expensive and difficult to cook and handle on the plate."

To counter this, the association is trying to stimulate the nation's taste-buds by providing leaflets on trout dishes and sponsoring cookery competitions. Efforts are also being made to raise £40,000 from farmers for a national promotional campaign for the £10m-a-year industry.

One of trout's most important selling points is its price. Fresh trout retailed at about £1.5p per pound last month compared with cod fillets at £1.9p per pound, although there is no bone wastage in the cod.

The dramatic fall in price is illustrated by the fact that in January 1977, its wholesale price at Billingsgate Market, London, was about 72p, while in January 1981 the price was 70p. The wholesale price of whole cod, in the same period, rose from 29p to 46p per pound.

Wholesale trout prices at Billingsgate can fall as low as 50p per lb because of over-supply, particularly in the summer. This has led to severe problems among producers who have high overheads.

A research scientist at the Government-funded Fish Farming Research Centre, in Lowestoft, said the middle-sized concerns were the main victims. Large enterprises, producing more than 50 tonnes of fish a year, have economies of scale while small businesses, producing up to 10 tonnes a year often sold fish at the farm gate, providing a farm sideline and needing only surplus labour.

The centre positively tries to put forward the disadvantages of trout farming when inquiries are made by people wanting to start a business. "People have a rosy picture of fish swimming in waters dappled by the sun. In fact, fish farming can be a miserable and mucky job which requires devotion for 365 days a year."

There have been may casualties over the last decade. Trout feeds are expensive—it takes about 1.5 tonnes of feed to produce a tonne of trout—and poor husbandry can lead to disease.

The survivors, split into two main camps, are tending to consolidate into different areas of the market. The small supplier is concentrating on providing quality fish to local restaurants and shops, while the larger concerns are becoming interested in "added value" products.

For it appears the days of trout paté and filleted trout, dressed with a ready-mixed wine sauce, are not far away. Mr. Philip Gay, whose Franklin Fish Farm, near Winchester, produces about 190 tonnes of trout a year—much of which is sold to other fish farmers to stock their waters—is exploring the possibilities of setting-up several French-style fresh fish shops where dressed fish, of several varieties, would be sold.

Similarly, one large concern in the North of England, which has concentrated on meeting the needs of supermarket chains, is developing processing facilities to gut and freeze the fish which could be used by fish farmers in Scotland.

In effect the trout industry, which is still fairly young, is going through a period of rationalisation and attempting to co-ordinate a market strategy.

But in trying to increase demand farmers will have to balance this against increased production, or else surplus fish from Japan, Europe and the U.S.: will be sucked into the country.

Farm in the marshes where nuns netted their crop

NUNS, in the 17th century, were the first fish farmers on the site where Mr. Philip Gay now has his Franklin Fish Farm.

During the centuries the farm, in the marshy lands of the Upper Itchen Valley in Hampshire, has produced carp and watercress, but today Mr. Gay farms trout.

Mr. Gay was involved in builders' merchandising for 25 years but in 1976 bought the farm, which he described as a marsh, because he "wanted a change."

The 28-acre farm is owned jointly by Mr. Gay and a partner who lives and works in London. All the 60-odd ponds had to be dug by Mr. Gay. They hold thousands of trout in various stages of development. The water, as the farm's history demonstrates, is very pure, coming from artesian wells and is the same temperature throughout the year.

Four people are employed on the farm, with extra help from students. Mr. Gay said: "Like any other type of farming this involves dealing with animals which require attention for seven days a week and sometimes 24-hours a day if the trout are ill."

The enemies of fish farmers are many, including birds, which have been such a problem at Franklin Farm that most of the ponds are netted. All the fish are manually fed. The danger of automatic feeding is that ponds might not be inspected so that disease would be unnoticed.

Mr. Gay said: "There was a rush into fish farming in the mid-1970s. Many people were given bad advice and they sank savings into farms which had the wrong water or were wrongly sited. Fish farming has got to be run as a business."

UK NEWS

Setback for public access to documents

By Ivor Owen

ANOTHER ATTEMPT to establish a general right of access to official documents for members of the public failed in the Commons yesterday when supporters of the Freedom of Information Bill were unable to carry the closure.

An almost full muster of the Cabinet—rarely seen in the Commons on a Friday—helped ensure by a majority of 61 that the debate was adjourned for a week, and so effectively killed the Bill.

Sir Angus Maude (Con., Stratford upon Avon), who until his recent resignation as Paymaster-General was responsible for the Government information services, was one of the Bill's most outspoken critics.

He challenged the concept of the public's having the right to know everything recorded in official documents, and said that journalistic ethics had declined to a point where any secret document was considered newsworthy regardless of its content.

Legislation that "opened up the secrets" of Cabinet discussions and the proceedings of Cabinet committees, including advice tendered by civil servants would make government impossible, he claimed.

Sir Angus acknowledged the need to reform the "catch-all" Section 2 of the 1911 Official Secrets Act, and called for discussions between the political parties and representatives of the media so that the "ridiculous legislation" could be replaced.

Mr. Barney Hayhoe, Minister of State for the Civil Service, said that the rights of the public had been strengthened by introduction of the specialist Commons select committees, which monitor activities of all the major departments of State.

"This Government has already made considerable and very significant progress in making more information available and opening up government, and has done so in a manner which is in harmony with the traditions and practices of our parliamentary and democratic system."

Implementation of the Bill's provisions would be costly in money, manpower and accommodation.

Mr. Frank Hooley (Lab., Sheffield Heeley), chief sponsor of the Bill, said it was not intended to reveal or disclose "juicy scandals" but to prevent scandals occurring by intelligent, informed dialogue between Government and citizen.

Amendments to Nationality Bill are agreed

By Elinor Goodman

THE GOVERNMENT yesterday agreed to two major changes in its Nationality Bill. The amendments will strip the Bill of two features which attracted criticism from Labour and groups representing ethnic minorities.

One amendment will give to any child born in the UK the right to British citizenship once it has lived here for 10 years, regardless of whether its parents were British citizens.

The other amendment removes what ethnic groups said was an overtly racist provision. It means all British citizens could transmit citizenship to their children born abroad.

Under the Bill's original provisions this right was given only to parents who themselves had been born here. Parents who acquired British citizenship by naturalisation or registration would not have had this right.

Yesterday the Labour Party said the change was a victory for its campaign. Mr. John Tilley, Labour's front-bench home affairs spokesman, welcomed the Government's "last-minute realisation of the divisive effect of their proposals." He regretted so much suffering and anxiety had been caused unnecessarily.

Metro and Escort help reduce car importers' market share

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

TWO BRITISH-BUILT cars, BL's Metro and Ford's new Escort, helped substantially reduce the importers' share of the January car market.

Importers took 53 per cent compared with 59.5 per cent in January last year even though the Japanese increased their share from 7 to more than 12 per cent.

BL and Ford missed their market targets in January and must have been slightly perturbed by the impact of their new cars on existing models.

BL's market share was just below 18 per cent against more than 22 per cent at the end of 1980 but well up on the 15 per cent for January, 1980, one of the worst months the state-owned group has experienced.

The Metro took 8 per cent of the total market with sales of 10,850. This had a big effect on the Mini—which dropped out of the top ten best-sellers' list as a result—and the Allegro.

BL says it was reasonably satisfied with its January performance. It said it had no extra promotional activities going on, unlike Ford and Fiat in particular, and it was a month when the Japanese returned to attack the market again in some force.

Ford's new Escort, with sales of 13,903, topped the best-seller list with a market share of more than 10 per cent. To do so it cut into sales of the Cortina which dropped to second place.

In January last year, admittedly a highly-successful month for Ford, the Cortina achieved a 16 per cent market share. Last month that share was down to 9.5 per cent.

UK CAR REGISTRATIONS JANUARY

	1981	%	1980	%
Total UK produced	64,024	47.04	64,502	40.54
Total imports	†72,084	52.96	94,606	59.46
Total market	136,108	100.00	159.108	100.00
Ford*	43,992	32.32	59.780	37.57
BL*	24,255	17.82	23,840	14.98
Peugeot SA—				
Talbot*	6,893	5.06	9,974	6.26
Peugeot	1,930		3,169	
Citroen	2,017		3,460	
Total Peugeot SA	10,912	8.02	16,603	10.44
General Motors—				
Vauxhall*	8,217	6.03	11,192	7.03
Opel	2,073		3,047	
Other GM	76		86	
Total GM	10,366	7.62	14,325	9.00
Datsun	10,595	7.78	5,077	3.19
Renault	6,572	4.83	9,386	5.90
VW/Audi	6,739	4.95	7.750	4.87
Fiat Auto—				
Fiat	5,086		4,154	
Lancia	406		447	
Total Fiat Auto	5,492	4.04	4,601	2.89
Volvo	3,995	2.94	4,294	2.70

included in the UK figures. † Includes cars from all sources including cars incuded in the UK figures. † Includes cars from all sources including cars from Continental associates of UK companies.

Source: Society of Motor Manufacturers and Traders

BL's share of new car sales, was not quite 18 per cent against its target of 20 per cent. Ford, aiming for about 35 per cent, achieved just over 32 per cent.

After holding back sales in December to cut the Japanese import level for 1980, Datsun showed its potential—and one reason why the company might set up a British assembly plant—by taking nearly 8 per cent of the January market and having two cars, the Cherry and the Sunny, in the top ten.

January top 10 sellers were: 1. Ford Escort (13.903); 2. Ford Cortina (12.944); 3. Austin Metro (10,850); 4. Ford Fiesta (10,526); 5. Datsun Cherry (4,028); 6. Morris Ital/Marina (3,494); 7. Datsun Sunny (3,016); 8. Vauxhall Chevette (2,972); 9. Fiat Strada (2,531); 10. Ford old Escort (2,384).

Engineering group cuts 380 jobs

BY ELAINE WILLIAMS

THE Wellworthy Engineering group is to make 380 people redundant because of reduced orders for components in the *diesel-engine industry*, the company said yesterday.

The company employs 3.200 workers. It is closing its oldest factory in Lymington, Hants, and transferring production to its other Lymington plant with the loss of 320 jobs. The remaining 60 redundancies will come from three factories at Weymouth.

By reorganising the production of pistons, the company hopes to avoid more redundancies if orders continue to fall. Instead, it will extend short-time working.

The bulk of the company's orders are domestic but efforts to seek business abroad increased exports by more than 80 per cent in recent years.

Tootal, the Manchester-based international textile group, is to close another clothing factory with the loss of 225 jobs, because of the slump in women's general wear.

The Longton factory at Stoke-on-Trent, which produces girls' *dresses, is to close in May.* It serves mainly the chain-store market.

The company said it was experiencing trading difficulties and the general outlook gave little hope of recovery in the foreseeable future.

The Total group had a turnover last year of nearly £400m. It now employs about 12,400 compared with 20,000 five years ago. It employs about 5,000 people in about 30 clothing factories.

Last year it closed its associated ladies' wear business with the loss of more than 600 jobs, because retailers were reducing stocks.

About 40 workers will lose their jobs with the closure of the century-old clothing factory of Redmaynes of Wigton, Cumbria. Redmaynes once was estimated to supply suits to half the Members of the House of Lords.

T. Lyon and Co., the Liverpool contract-printing concern which prints the weekly Jewish Gazette, is to close after calling in the receiver. Up to 30 jobs will be lost.

Print union officials say a buyer is being sought. The Gazette, which circulates in Lancashire and Yorkshire, is owned by the Jewish Chronicle, London.

Clayton Dewandre, the Lincoln-based power-brake *manufacturer, is to make 50* workers redundant after its 400 staff refused to accept short-time working.

Last year, workers accepted pay cuts of up to £15 a week as an alternative to redundancies. Manual workers have been on short-time since August.

Lotus, the car-maker based at Hethel, Norwich, will make 38 of its 500 workforce redundant because of the recession. Lotus trimmed its workforce by 40 last December.

Chemical Bank chief for Charterhouse Japhet

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

MR. JOHN HYDE, 53, chief executive of the merchant bank Chemical Bank International, is to become chairman and chief executive of Charterhouse Japhet, a City accepting house which recently merged with Keyser Ullmann banking group.

Recent policy differences resulted in departure of a number of senior Charterhouse executives.

Mr. Derek Wilde, 69, former Keyser Ullman chief, now chairman and chief executive of Charterhouse Japhet, described Mr. Hyde yesterday as "an outstanding appointment. We are lucky to have got him."

Mr. Wilde, expected to retire in 1972 after a career at Barclays Bank, will give up banking on April 30, a month after Mr. Hyde takes over.

Mr. Hyde is senior vice-president of Chemical Bank. He is chief executive of its world-wide merchant activities.

His previous experience includes 17 years at Citibank, London, where he was deputy head of UK operations; two years at Hill Samuel; and seven years as chief executive of London Multinational Bank, a consortium bank bought out entirely by Chemical Bank in 1977.

Mr. Geoffrey Rowett, chief executive of the Charterhouse group, hinted that the Keyser Ullmann merger and Mr. Hyde's appointment might eventually result in other changes in the Charterhouse organisation.

Ex-Coral director held in California

MR. ALAN WATTS, wanted by the UK police on theft charges connected with the casinos recently sold by Coral Leisure, has been detained in California.

Scotland Yard said that Mr. Watts, former deputy managing director of Coral's casino division, was being held in San Francisco pending extradition proceedings.

Coral's London casinos were raided by the police late in 1979.

Call for focus on current cost-accounting

Financial Times Reporter

THE FINANCIAL PRESS was called on yesterday to pay primary attenton to inflation-adjusted results of companies.

Mr. Douglas Morpeth, deputy chairman of the accountancy profession's Accounting Standards Committee, told journalists that the new current cost-accounting figures, which all quoted companies will publish soon, were more useful than the traditional historic cost accounts.

Mr. Morpeth spoke at a special seminar. His views were endorsed by Mr. Paddy Custis, chairman of the profession's monitoring committee on current cost-accounting and finance director of GKN, the Midlands engineering group.

Mr. Keith Percy, equity research partner at the City stockbrokers Phillips & Drew, said that the stock market had not fully discounted the relative impact of current cost-accounting figures, but the market as a whole probably had.

Citizens' band radio may get new wavelength

THE GOVERNMENT may shortly offer users of citizens' *band radio a second wavelength.*

The Home Office has discussed with industry the possibility of allowing the "open channel" to operate on the 27 MHz FM frequency as well on the 930 MHz frequency suggested in last year's Green Paper on citizens' band radio.

But the offer is unlikely to appease the citizens' band lobby, which wants the 27MHz AM frequency already used by most of the 250,000 or so illegal sets in this country. The Government believes this would crease too much radio interference.

Radio equipment manufacturers have already spoken out against the higher frequency, which would result in expensive and limited range sets. They are equally unhappy with the prospect of legalising 27MHz, even if it is FM.

None of the UK makers have any plans to make 930MHz receivers because no-one would buy them. Equally they say that it would be futile to try and compete at the lower range because U.S. and Japanese makers have large stocks of low cost CB radios awaiting import into the UK.

UK makers say any one of the available frequency bands between 40MHz and 500MHz would be more suitable, and would give them the opportunity to compete in a market estimated to be worth £45m.

Airport agreement

AN AGREEMENT controlling the future use of Blackbushe Airport, Hampshire, has been reached between Hampshire County Council and Mr. Douglas Arnold, the airport's owner.

It imposes noise levels and weight restrictions on aircraft using the airport. Flying hours will be restricted to between 7 am and 10 pm. Specific approach and departure patterns are laid down to prevent overflying certain built-up areas, such as Yateley and Hartley Wintney.

Historic office to go

SCOTLAND will lose on April 1 its own historic branch of the Treasury—the Exchequer office in Edinburgh whose origins go back to the Treaty of Union in 1707—Sir Geoffrey Howe, Chancellor, told the Commons yesterday.

The majority of its staff, whose responsibilities are primarily concerned with company registrations and related functions, will become part of the Trade Department.

Timber plea

FRESH APPEALS for Britain to increase its acreage of woodlands were made yesterday by the Timber Growers' Organisation, which published figures showing that the UK imported timber worth about £2.72bn last year, compared with £2.75bn in 1979.

The quantity of imported timber and associated products fell 14 per cent, but the organisation said world prices were rising steeply.

Cargo revenue up

BRITISH Caledonian Airways earned more than £40.4m revenue from its cargo operations in the financial year to last October 31, and has set a target of £52.7m for 1980-81.

Mr. David Brooksbank, general manager cargo sales, said in London yesterday that much of last year's improve*ment of 37 per cent in total* cargo revenue stemmed from the opening of new routes with passenger jets to the U.S., offering much greater cargo capacity in a big market.

U.S. Economist

THE ECONOMIST magazine this week started printing its North American circulation, of up to 70,000 copies.

Andrew Taylor reports on the increase in second-hand machine tool auctions

How others profit from factory failures

THERE is an expression in the North of England that you should "bury 'em with ham" and it is not unknown for guests at this final feast to haggle over the deceased's possessions. A not dissimilar atmosphere can be found at auctions of second-hand machine tools as buyers flock to pick over the bones of industrial corpses left in the *wake of the recession.*

It may not have been best ham they were serving at this week's auction of woodworking machinery at the former Philips Industries cabinet making factory in Chingford, north London, but hot food and drinks were available to sustain buyers over two days of hectic bidding. Buyers could even purchase the canteen crockery in an "everything must go" sale.

Henry Butcher, commercial property agents and valuers which organised this week's auction, estimates that by the end of March it will have raised more than £20m in 12 months from factory equipment auctions. This compares with £8m in 1979-80.

The story of Philips' decision, reached last August, to close its woodworking subsidiary, Cabinet Industries — which earned 70 per cent of turnover from television cabinets supplied to the parent group and other manufacturers — is familiar to many areas of British industry.

Dwindling sales and changes in production techniques—with TV manufacturers making greater use of plastic and easy to assemble "flat-pack" kits—made it impossible to keep alive a factory employing 340 workers with an annual turnover of £4m-£4½m.

Mr. Jim Brunnock, general manager of Cabinet Industries, says: "We had been making losses for about five years. This had built up to a projected annual loss of £1m when the decision to close was taken. We would have needed to double our annual turnover to about £8m to make the factory a paying proposition."

In addition to the closure of Cabinet Industries, the Philips group also decided to shut its woodworking plant at Kings Lynn, which employed about 400 workers in making music centres for Pye and Dynatron. It was woodworking machinery and ancillary plant and office equipment from both the Chingford and Kings Lynn factories which was on sale at this week's auction.

The auction began early with Mr. John Judson, one of three Henry Butcher auctioneers in action at Chingford, receiving just hours before the bidding was due to start on Wednesday morning an offer of £250,000 for all the equipment from both factories.

The decision to reject the offer—from a British woodworking machinery dealer on behalf of South African clients—appears to have been correct. Cash raised from the auction is likely to exceed £400,000, although a final figure remains uncertain as long as some bids can fall through.

It is just not international buyers and dealers who are attracted to UK auctions of secondhand machine tools. Also present at Chingford were small businesses just starting out, medium-sized companies seeking to expand and a range of other interested parties. one buyer needed to acquire a particular machine—now out of production—to transplant parts on to an existing similar machine to give it a new lease of life.

The highest bid was made by Mr. Colin Greenwood on behalf of South African clients. Mr. Greenwood as well as running a private furniture manufacturing business, James H. Sutcliffe, also deals in second-hand and refurbished woodworking machinery through his company Wood Mac. His bid of £16,000 for a *laminate bonding line*—worth about £200,000 brand new, he says—was made on behalf of Kaydee Pty., a furniture manufacturer based in Durban.

Mr. Clive Taylor and Mr. George Bunn, two of Kaydee's directors, were at the sale. "We made a number of trips to the UK in 1980 and estimate that we have spent about £150,000—before shipping costs—acquiring plant which brand new would have cost at least £500,000," says Mr. Taylor.

Mr. John Middlemiss, director of Clofar, a privately-owned decorative wall-cladding manufacturer from Hartlepool, reckoned he had picked up a bargain, paying £13,500 for a grain printing process flowline. "To buy a similar piece of equipment brand new would cost at least £130,000," he said.

Prices for a wide range of second-hand factory equipment have undoubtedly fallen sharply since this time last year because of the level of enforced factory sales. But bidding at Chingford last week was at times intense.

The passing of any company is sad, but this week's auction shows that new and expanding businesses can benefit from other organisations' misfortunes and failures. But the rising level of enforced factory and plant sales, however, remains disturbing.

LABOUR

Longbridge workers reject strike call in support of dismissed men

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

LONGBRIDGE WORKERS delivered another rebuff to their union leaders yesterday when they overwhelmingly rejected a strike call in support of six men dismissed for their alleged role in a "near riot" at the Birmingham plant.

The decision marks another important victory for BL Cars' tough line at the Birmingham plant where output has hit near record levels in each of the past five weeks.

The management threatened to risk total closure of its volume car business rather than give ground over a protest strike at its decision to discipline workers for their role in disturbances at the plant in November.

A three-week inquiry by a management-union team found there was "no reasonable doubt" about the involvement of six of the eight workers dismissed.

Mr. Jack Adams, the Longbridge convenor, told a meeting of workers yesterday that an all out strike was the only way to gain re-instatement for the six.

Only a third of the 17.000 manual workers turned up for the meeting and they decisively rejected the strike recommendation.

Workers picked up a bonus of nearly £15 yesterday following another week of high output of the successful Metro model.

The shop stewards, who claimed those disciplined were victimised by the company, now have no choice other than to allow the case of the six to go to an industrial tribunal.

Ambulancemen seek 'at least 18%'

BY PAULINE CLARK, LABOUR STAFF

AMBULANCEMEN seeking a pay rise this year of at least 18.8 per cent, to keep pace with firemen, yesterday demanded an urgent meeting with Mr. Patrick Jenkin, Social Services Secretary, after rejecting a 6 per cent offer.

The offer was made by employers at their first negotiating meeting this year with the men's union leaders.

It angered unions because it was made in the absence of a clear Government statement on the cash limit to be set for rises in the National Health Service wage round.

Union leaders of 250,000 hospital ancillary workers last week rejected a similar 6 per cent offer. They plan a protest deputation to meet Mr. Jenkin on Monday.

But the National Union of Public Employees, a major union representing ambulancemen and hospital ancillary workers, said yesterday the ambulancemen's case would be argued separately from other health-service groups.

The ancillary workers are demanding at least 7.5 per cent, in line with the settlement for more than 1m council workers. But ambulancemen insist they should receive similar treatment to police and firemen, as the third arm of the country's emergency services.

The police received a 21 per cent increase for this year. *Firemen achieved agreement on* an 18.8 per cent rise last November after industrial action in defence of their index-linked national pay formula agreement.

Government concern over the chance of a major confrontation with ambulancemen this year was indicated recently by evidence that it was updating contingency plans for using troops to man ambulances in the event of industrial action.

Union leaders said yesterday they were also angered by the totally inadequate offer to ambulancemen because it was based on a formula for increasing pay in each grade by 6 per cent instead of an across-the-board payment as demanded by the unions.

The offer also did not take account of union arguments for protecting last year's award by the Clegg commission on pay comparability which looked at ambulancemen's pay in relation to police and firemen's wages.

The unions had also argued strongly for an increase which would keep pace with inflation since the last January pay settlement.

Union leaders for both the health service groups are also concerned that the Government may postpone any decision on cash limits for the NHS until it has seen the outcome of their pay negotiations.

Ambulancemen are said to have experienced a drop in earnings in many parts of the country this year because cuts in health services have reduced their overtime pay.

Overtime pay is said by the unions to constitute up to 60 per cent of ambulancemen's *gross earnings. In the accident* and emergency services it can amount to between £120 and £150 a week but it varies enormously because of different shift patterns and overtime work in different parts of the country.

Baldwin elected to union job for life

By John Lloyd, Labour Correspondent

MR. JOHN BALDWIN, general secretary of the construction section of the Amalgamated Union of Engineering Workers, has won his post for life in an election contest with Mr. Leonard Spackman, the union's assistant general secretary.

Mr. Baldwin became known for his leadership during the dispute at the Isle of Grain power station construction site. He took trainee insulation *engineers, or laggers, through a* picket set up by the General and Municipal Workers Union, traditional suppliers of lagging labour.

The inter-union dispute at the Isle of Grain, though damped down by a TUC formula last October, still remains. Members of unions other than the GMWU are nearing the end of lagging work on the station's unit one, and the lagging for unit three should start shortly.

Campaign

There is little doubt that Mr. Baldwin will regard his victory, by a margin of more than 1,000 in a 41 per cent poll of *his 25,000-strong union,* as encouraging for his tactics. He ran his campaign largely on the basis that his actions had helped keep open the station and safeguard jobs.

It is likely that Mr. Baldwin, and Mr. Eric Hammond, of the Electrical and Plumbing Trades Union, will push for non-GMWU laggers on unit three—a move which could reopen the site's dispute.

Mr. Len Murray, TUC general secretary, has made strenuous attempts to get a settlement at Grain, and it is likely that further efforts will be made.

Proposed bank dispute procedure turned down

BY NICK GARNETT, LABOUR STAFF

PROPOSALS for new negotiating machinery and dispute procedures for the English clearing banks were rejected yesterday by the Banking, Insurance and Finance Union.

The union's clearing bank section said it was opposed on two grounds to the proposals, which were drawn up by the Federation of London Clearing Bank Employers.

The section said it was against the principle of having the same set of procedures covering both the clerical and the technical and services staff.

It was also opposed to the suggested form of arbitration which would commit the union to accepting the result of arbitration sought only by the banks and the rival Clearing Bank Union.

In the discussions with the banks earlier this week, the CBU also said it did not like the suggested arbitration mechanism. It wants unilateral arbitration, to be triggered even if only one party wanted it.

The decision of BIFU's clearing bank section will be put to the union's executive as recommendations next week. The union will also be consulting sections of its membership on the issue.

The clearing bank section reaffirmed the rejection of the employers' 8.5 per cent offer, which has also been turned down by the CBU.

BIFU has been testing sections of its membership on likely support for industrial action over pay.

Mr. Leif Mills, BIFU general secretary, said last night it was unacceptable that the banks were offering less than recent settlements and offers in insurance, which have ranged from 12.5 to 15 per cent.

NUR executive agrees to talks on productivity

THE National Union of Railwaymen's executive agreed yesterday to start discussions with British Rail on productivity and improvements in the rail service.

A union statement said progress would depend on the extent to which the Government "appreciates our problems and is prepared to assist in those areas of railway finance and investment to which we have drawn attention."

Dust disease compensation increased

THE National Coal Board is asking all pneumoconiosis sufferers or their dependants whose payments under the NCB pneumoconiosis compensation scheme amounted to less than £600 to contact the NCB pen*sions and insurance centre in* Sheffield immediately.

Minimum payment under the scheme has been increased to £600 as a result of additional funds provided by the Coal Industry Act 1980.

Most beneficiaries who received less than £600 can now claim the difference. A widow who has been paid the old minimum of £150 may now be entitled to an extra £450.

Mr. Peter Stafford, the NCB's director of pensions and insurance said: "We are trying to *reach as many past beneficiaries* as possible. Our problem is that most people received their original compensation payments several years ago and may since have moved, making it impossible for us to locate them and tell them they may be entitled to more money.

"We would like everyone who feels they may qualify to contact us or the mining unions for a claim form immediately, and to alert anyone else they know who may be in a similar position."

Claim forms can be obtained from the National Coal Board Pensions and Insurance Centre, P.O. Box 165, Sheffield, or from offices of the National Union of Mineworkers, or the National Association of Overmen, Deputies and Shotfirers.

THE WEEK IN THE MARKETS

British Aerospace on the launch pad

THE LONG awaited denationalisation of British Aerospace got off to a wobbly start this week. First, widespread leaks of the details of the £150m offer for sale of 50 per cent of BAe shares forced the organisers to bring forward their announcement from Thursday to Wednesday.

Then commentators were quick to seize upon the warnings in the prospectus—which will be published in Monday's Financial Times—that the Labour Party had threatened to re-nationalise BAe without compensation when and if it is returned to power.

There was also surprise that the offering price of 150p a share values the company at £300m, only about one half BAe's underlying asset value.

However, like other manufacturing companies, BAe's profits are under pressure and the shares are being offered at nearly 10 times fully taxed estimated 1980 earnings. The prospective yield on the planned 1981 dividend of 7.8p, which would be covered more than three times, is 7.4 per cent.

The issue consists of 93.5m shares offered to the general public and a further 6.5m shares reserved for BAe employees. The company is raising a net £99m through the issue of 66.6m new shares and the Government is providing the balance of the shares for sale.

The Government's stake in BAe will fall to between 48.37 per cent and 50 per cent, depending on how many shares are taken up by employees. The Government says it does not intend to sell any more of its shares in the foreseeable future and it will not intervene in the company's commercial decisions.

The company's 1980 accounts have not yet been published but the directors estimate that trading profit advanced by nearly a fifth to £92m, mainly on the strength of military aircraft sales. During its nearly four years in public ownership, BAe was encouraged to develop its civil aircraft business and most of the launch costs of new models are being written off as incurred. Last year, launch expenses rose by two-fifths to £55m, primarily on the A310 Airbus and the BAe 146 short-haul airliner. Development expenses are expected to remain high and the group has arranged £400m in banking facilities. Borrowings now amount to £32.6m.

Group pre-tax profit in 1980 is estimated to have been only marginally ahead at £52m compared with £50.3m in 1979. Tax was a minimal £1m. (In valuing the shares for the offer, it has been assumed that BAe had the benefit of the £99m new capital in 1980. This raises the estimated pre-tax profit to £65m and the tax charge to £7.7m).

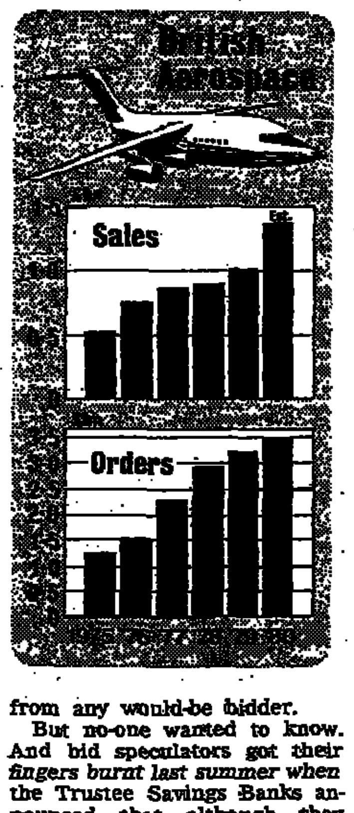
So far this year, military business is continuing to grow strongly. The Ministry of Defence accounts for two-fifths of BAe's £1.3bn sales and the directors are confident that

LONDON
ONLOOKER

recent reductions in defence spending are unlikely to affect it much. However, the civil aircraft market has softened because of the squeeze on airlines' cash flow. Even Boeing expects sales to stagnate this year.

The directors are forecasting unchanged pre-tax profit in 1981, which is not much of an inducement for investors. The issue has a lot of City muscle behind it and will probably be placed fairly easily with the big institutions. But individual investors should not count on being able to take quick profits out of this one.

Applications must be received by next Friday, February 13.



UDT auction

Shareholders in UDT must be rubbing their eyes in amazement at their sudden popularity. For years, their company was one of the walking wounded on the stock exchange, seriously undercapitalised and kept alive only by substantial support from the Bank of England's "lifeboat." The shares traded down to well under 15p in 1974, 1975, 1976 and again in 1977, and even after the company started to pick up the pieces after the crash of the mid-1970s, it was clearly open to offers from any would-be bidder.

But no-one wanted to know. And bid speculators got their fingers burnt last summer when the Trustee Savings Banks announced that although they planned to take a stake in UDT's instalment credit side, they were not going to make an outright offer for the shares.

Discussions between the two dragged on for months—until Lloyds and Scottish popped out of the blue a few weeks ago with an outright offer of 55p per share. Quick as a flash, TSB came back with an agreed bid of 57p cash, which values the whole company at about £110m. This is rather more than net asset value and—ironically—it comes at a time when UDT is running into very rough trading conditions.

The formal offer document this week revealed that high interest rates and the recession had knocked UDT's pre-tax profits in the half-year to December from £7.9m to £3m pre-tax.

Yet Lloyds and Scottish has not given up. It is spending this weekend combing through the document, and the market is betting that it will improve on its original terms.

What seems to have happened is that both the TSB group and Lloyds and Scottish have decided that UDT represents a one-in-a-lifetime opportunity to buy a major instalment credit business. All the other big companies in this field are already owned by clearing banks, and are not for sale. Long-term strategy rather than the short-term trading outlook is determining the offer price—and both bidders have plenty of financial muscle behind them to support their ambitions. Shareholders in UDT should sit tight for the time being.

ICL's cash drain

A bare five months ago, on September 10, ICL's share price peaked at 196p, valuing the computer company at about £260m. Since then the shares have plunged to under 40p bringing the market capitalisation to below £50m.

Each succeeding statement by the company has brought deeper gloom. In early November ICL revealed that it was sacking 2,500 employees. Worse was to follow the following month with the announcement that second half profits had slumped from £27.9m to £4.6m.

In January the report and accounts were published, suggesting that the cash outflow last year might have been little short of £100m, once export credits and the unconsolidated financing offshoots were included.

This week brought more bad news, when the chairman, Mr. Philip Chappell, revealed at the annual meeting that losses in the first quarter of the current year were in excess of £20m.

Mr. Chappell emphasised that the first quarter loss would not be the running rate for the year and implied that the full-year loss should be held below £40m. But the market's concern is now concentrated less on the actual profit and loss figures than on the cash flow implications.

So far the company has not released any cash flow projections for the current year. But, with losses at this level and the closure costs of Winsford (at least £10m net), it would not be surprising to see an outflow of as much as £100m again in the full year.

On this basis, net debt would be pushed up to £250m or so, against shareholders' funds that could fall to near £100m. Barclays, one of ICL's major banks, said that the company had enough borrowing facilities for the time being, adding that it was "being kept fully informed so that we can respond appropriately as their plans for surmounting their problems develop."

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1980-81 High	1980-81 Low	
F.T. Ind. Ord. Index	480.3	−14.0	515.9	406.9	Interest rates hopes
Avon Rubber	80	− 8	141	70	First-half loss forecast
Barclays Bank	382	−23	482	327	"Windfall profits" tax fears
Blue Circle	368	+20	379	229	Cheaper money hopes
Bridon	45	− 7	78	37	Nervous selling
Brown (John)	72½	+12	79	46	Invest. seminar/Iraqi contract
Davies and Newman	120	+21	126	80	Persistent demand
ERF	54	+10	110	35	Recovery hopes
Gencor	750	+100	£11½	620	Rally in South Africans
Henlys	82	+10	99	65	Broker's circular
ICL	37	−10	196	31	£20m 1st.-quarter loss
Kennedy Brookes	105	+19	105	63	Buoyed still by annual results
Lee Cooper	163	+11	225	115	£25m Czech. contract
Lonrho	108	+11	120	72	Preliminary results
Nash (J. F.)	40	−13	72	40	Demerger proposals
Powell Duffryn	245	+23	263	142	Investment demand
Ratcliffe (F. S.) Inds.	48	−16	83	48	Poor int. results
Stock Conversion	347	+22	347	235	Lower interest rate hopes
U.C. Invests.	450	+60	720	360	Record profits and increased div.
Unitech	225	−25	364	195	Lower annual pfts. forecast

Waiting for the President's word

NEW YORK
DAVID LASCELLES

LIKE THE jets buzzing over Manhattan all day, the Stock Market is in a holding pattern right now, awaiting harder news of President Ronald Reagan's economic plans. His TV address to the nation on Thursday night contained virtually no details at all of what he wants to do, except to reaffirm his determination to pursue his three-year 30 per cent personal income tax cut and accelerate depreciation for business. But that stale news was discounted in the markets long ago.

The only scraps being thrown to the public are deliberate leaks of possible spending cuts to test the reaction: cuts in some social programmes and decontrolling natural gas prices (that would give energy stocks a nice kick). There was even a rumour that the Government would impose a procurement freeze: that sent the jitters through shares of big Government suppliers.

But while the market may shift this way and that for a while, nobody expects much to happen until February 18 which is when President Reagan will whip the veil off his programme. That could be a crucial moment. Although there will be few surprises by then, the market's immediate reaction could establish the psychology for a long time to come. Will it be disappointment and dismay, or a new bout of Reagan fever?

As it is there is a lot of talk of the need for new leadership in the market. Since the decline of the oil and the technology stocks, investors have turned variously to blue chips (on the assumption that the Reagan programme will help established industries), consumer goods (hopes of an economic revival), interest-sensitive (hopes that interest rates will come down). But none have shown the driving power needed to pull the Dow ahead. In fact the key indicator is now plumb in the middle of the trading range it established as long ago as last August: 930 to 970.

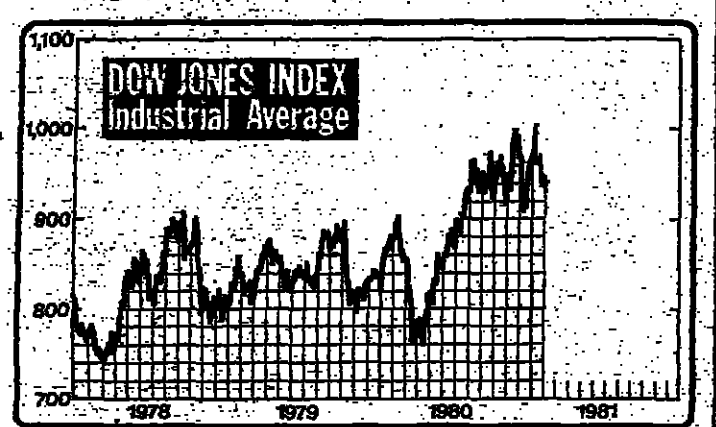
Traders say that institutions are standing on the sidelines until the prospects clear. This means that volume has also been desultory: 40-50m shares a day, well below the turbulent 80-100m share days in the last quarter of 1980 and the first few days of this year. Investors are also in something of a dilemma over bonds versus equities. The fixed income market offers some very attractive yields at the moment: 13-14 per cent on high quality issues. And anyone who can persuade himself that interest rates will come down over the next six months or so would do a lot worse than to look into these yields and hope for a big capital gain as well.

The market has also been watching the torrent of year-end earnings report for clues. American Telephone and Telegraph, the most widely held stock in the country, reported a healthy 13 per cent profit gain in the final quarter, bringing its profits for the whole year to $6.08bn, more than any U.S. company has ever earned before. Interest now centres on whether Ma Bell will raise her dividend.

Another industrial giant, General Motors, pushed its shares up more than a dollar by coming in with a slightly better than expected final quarter, a profit of $62m. Though tiny, this was better than the loss many analysts had predicted. Evidently, the U.S. car market was somewhat stronger in the closing weeks of 1980 than thought. But because of the catastrophic market conditions earlier in the year, GM still ended 1980 deep in the red, to the tune of $763m. Not since 1921 has GM made a loss, incredible though that may sound. Other automakers yet to report will do far worse. Ford's year deficit will be in the billions. Chrysler's hardly bears thinking about.

As has been evident for a while, the insurance industry is also going through one of its cyclical lows. Travellers Ed. sic. reporting yesterday, was down a shade for the year because of the weakness of its property casualty business. Life insurance, which does not suffer the same ups and downs, was steady. Although airline earnings have been under pressure (Pan-Am was down on last year, though the sale of its famous New York skyscraper kept the final figures in the black) the Civil Aeronautics Board's decision to grant them extra fare increases to compensate for rising fuel prices buoyed their shares. The Dow Transportation Index notched steady gains all week.

On the merger front, one big deal that everyone thought would go through came apart, while another that had seemed dead came back to life. The $376m bid by a group of private investors headed by Harold Geneen, the former chairman of ITT, for Cannon Mills, the big textiles company, was rejected by the board, even though the company made nice noises when it was first announced.



MONDAY	932.25	−15.02
TUESDAY	941.38	+ 9.13
WEDNESDAY	941.98	+ 0.60
THURSDAY	946.76	+44.78

UNIT TRUST AND INSURANCE OFFERS

FINANCE AND THE FAMILY

Loss of a right of way

BY OUR LEGAL STAFF

I was interested to read your reply to a query concerning an unused right of way (December 9) but I did not understand your second sentence in which you refer to the use inconsistent with the dominant owner's rights. Could you please explain? Our house has two rights of way over neighbours' property, which are secured by legal documents, one by mutual agreement with the owner of one property and the other obtained through the courts. As we wish to embarrass our neighbour as little as possible, we use the right of way as little as possible. However, they are necessary, and they would be an asset if we sold our house. Are there any circumstances in which our neighbours could have our rights of way abolished?

If your rights of way derive from grant and from a court decision they will not be lost or affected by not being used frequently; or even if not used at all over a period (provided this is not a period of extreme length, e.g. 30 years, and even then they may survive). The query to which you refer dealt with an entirely different situation, where complete non-use was in question. The point about inconsistent use is that if the physical way is made incapable of use (e.g. built upon) the failure of the dominant owner to assert his right may be taken as evidence that he has abandoned the right. Mere non-use is not.

A loan from an overseas relative

In a reply on January 3 dealing with the tax consequences of a loan from a brother, you wrote that you assumed the brother lived in the UK but that if he lived abroad the tax position would be different. My brother does live overseas. Could you please advise as to the differences in respect of a loan he can make me?

If the loan is made subject to English law, you should be eligible for tax relief, but you must deduct UK tax from each payment of interest (as explained in the booklet IR11). If your brother is resident in a country which has a double taxation agreement with the UK, he may be entitled to exemption from UK tax (or to a reduction in the rate of UK tax), but the rules vary from country to country. It is a pity that you did not say where he lives.

On the other hand, if the loan is made subject to the law of a country outside the UK, you will not be eligible for tax relief, because the interest will not be annual interest chargeable to tax under case III of schedule "O" (as required by section 75(1)(a) of the Finance Act 1972).

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Redundancy and tax

I expect to be made redundant in the spring, in which case I shall immediately draw a pension and should commute some of it. Could you inform me of the advantages or otherwise for tax purposes of being redundant at the end of March before the end of the tax year or leaving at April 30 in the new tax year?

As explained in the replies published in our Finance and the Family column on December 6 (Redundancy and top slicing) and January 10 (Top slicing and handshake), the rules are likely to be changed in the spring Finance Bill. Now that it has been confirmed that Budget Day is to be March 10, it is possible that the new rules (whatever they may prove to be) will take effect from that day, and not merely from April 6.

It is likely to be better (from the angle of tax on any ex-gratia payment which your employers may decide to make—after you have left, of course), therefore, if your employment ceases before March 10. Failing that, it may be better if your employment ceases before (Sunday) April 5, subject to what the Chancellor may say on March et seq.

Commutation of your prospective pension (before it starts) should not affect the tax bill on any subsequent ex-gratia payment, subject again to what the Chancellor may say.

A neighbour's wobbly wall

I am concerned about the dangerous condition of the wall of my neighbour's property which runs alongside the path leading to my door. I wrote to the freeholders about it, but they said it was a matter for the lessees. Should the wall collapse and cause damage to my property or injury to somebody, could I be held financially responsible?

We think that responsibility would not rest with you. It may rest with the lessee, or possibly with the freeholder whose wall it is. We think that you should adopt the principle that the freeholder is responsible, and leave him to pursue his lessee if appropriate.

CTT on family shareholdings

With reference to your reply of January 21 headed Shareholdings of relatives, in our family company my wife holds 50 shares, I hold one, my son holds 40, and my two daughters hold five and four respectively. If my wife transfers two and three shares to my daughters respectively our majority holding would be abolished, but no majority holding is gained by any other person. Would there by any liability for CTT?

Yes, it is the diminution in the deemed value of your wife's estate which attracts CTT—not the increases in the recipients' respective estates.

At present, your wife's holding is to be valued as 50/51st of a 51 per cent interest. After a gift of (say) two shares, the value would be deemed to have diminished to 48/49ths of a 49 per cent interest—a significantly lower figure.

Beware benefits in kind

TAXATION

DAVID WAINMAN

THE PRESENT administration has made clear that it would prefer employers not to provide benefits in kind to employees, but rather to pay them a proper level of remuneration in cash.

Perhaps the employers most concerned needed little exhortation, and are moving in the direction the Government wishes. But there are undoubtedly others who do not find it possible to withdraw from what they and their employees see as binding commitments.

In these circumstances both employer and employee can only too easily become defensive, or secretive, about those benefits which continue to be provided. Secrecy breeds mistrust among those who think that information to which they are entitled is being withheld from them—this class may include other employees and those outside the organisation, and can only too easily include also the Inspector of Taxes. Nothing is so corrosive of tax morality as suspicion breeding on secrecy.

The benefits of borrowing from one's employer, free of interest or at a subsidised rate, were what started this train of thought. The tax rules are reasonably straightforward, and comprehensive: it is not likely, as we will see below, that anyone who attempts to keep within them will be "getting away" with anything.

But it is here worth mentioning two other aspects, before we come to the benefits in kind legislation. First any corporate employer must bear in mind the Companies Acts prohibition (in general but not in total) on loans to directors, and the requirements in the same legislation that the benefits of loans should be disclosed where the recipients are employees whose remuneration "bands" must be shown annually in the Directors' Report.

Secondly, and overlapping the foregoing, there are still anti-avoidance provisions in force designed to prevent close companies (broadly speaking those controlled by five persons or fewer), from making payments to those persons or other "participators" under the guise of loans rather than outright distributions of profit. The company is required in these circumstances to pay "advance corporation tax," as if the principal of the "loan" were a dividend.

Turning now to the provisions which tax directors and employees whose total remuneration is over £8,500 per annum on imputed benefits in kind, we find two main branches to the legislation. If interest is not charged, or is charged only at a subsidised rate, that constitutes a benefit. So also does the foregiveness, or writing off, of the principal amount lent.

Where the employer forgives indebtedness, the director or employee pays tax as if the amount forgiven were part of his earnings for the year concerned. And this holds true even if by the time the loan is forgiven he has ceased to be a director or to be "higher paid," whether by retiring, leaving in other circumstances, or through his earnings having fallen below the threshold.

This last provision overrides the possibility which existed before 1976 of the loan-forgiveness being taxed only as a part of a golden handshake. But there are still safeguards for the man lent money before 1976 to acquire shares, where those shares have fallen in value and the debt is reduced under "stop-loss" provisions forming part of the original terms on which he borrowed.

The benefit of an interest free or subsidised loan is also taxed as income: but this requirement is negatived if the benefit as quantified is less than £200, or if the amount to be taxed as income could immediately be claimed as deductible, for instance because the loan was for the employee's house purchase.

The quantum of the benefit is the difference between the official rate and what if anything the employee pays. The official rate has stood at 15 per cent since May 1980; before that it was 9 per cent.

The hike in its level made it necessary for the authorities to recognise that fixed loans already in existence but previously below the £200 threshold should not be lifted over it merely by that increase. Second, it is also recognised that fixed loans could, in earlier and different economic conditions, have been negotiated at arm's length at rates rather less than 15 per cent. These are also left out of account.

The provisions laying down the method of calculating interest at the official rate are complex. But at risk of oversimplifying, one can say that the normal approach is to apply that rate to the arithmetic mean of the principal amounts outstanding at the beginning and end of the year. As an alternative, available at either the tax inspector's or the taxpayer's demand, interest can be calculated on a daily basis.

These same principles also apply—and this is the reason for the legislation's complexity—where an individual has a loan from his employer only part of which is to be taxed as beneficial, for instance because it (or it together with loans from third parties), exceeds the £25,000 ceiling permissible for house purchase loans. The taxable benefit is still the difference between 15 per cent of the excess ("ineligible") loan and the amount of interest actually paid by the employee on that same part of the loan.

In some other areas the benefits in kind legislation has grown "organically," being widened by statute or judicial interpretation to encompass items not originally within the draftsman's terminology. Beneficial loans were first brought into the scope of tax in 1976, and Mr. Joel Barnett (then Chief Secretary of the Treasury) clearly did not intend that anything be left to chance.

A loan is covered if it is made "by reason of employment," and this latter phrase is then interpreted as meaning all loans made by an employer. In turn, the word employer is redefined to include a prospective employer, a person controlling or controlled by the employer, and the holder of a substantial stake in a close company.

And finally the making of a loan includes arranging, guaranteeing or facilitating it, and also includes taking over the rights and obligations of some other person who first made it—and loans to the employee's wife, his or her parents or remoter forbears, brothers, sisters and children or remoter issue, and to the wives or husbands of any of these relatives, are within the taxman's sights.

YOUR SAVINGS AND INVESTMENTS 1

Flying with the Ouzelum Bird

MINING
KENNETH MARSTON

LIKE the Ouzelum Bird which reputedly flies backwards and thus does not know where it is going but likes to know where it has been, the markets in gold and gold shares have been pursuing a pretty erratic course this week.

Nobody seems to have the faintest idea where the markets are heading in the near term, at least, but very few observers are inclined to be optimistic. On the other hand, the recent weakness in gold shares has resulted in leading issues showing dividend yields of more than 20 per cent.

This makes a fair allowance for the uncertainties facing the mines. And because nobody has yet passed a law which says that the price of gold cannot rise again or, for that matter, that world inflation must stop, there seems to be no point in rushing out of good class stock at today's prices.

Furthermore, if there is to be continued weakness in the bullion price, many mines could at least cushion the effects of this on their parofits by reversing the present trend of mining the lower grade ores. Those with large capital expenditure on hand and relatively low overall ore grades would, of course, be in a difficult position.

Meanwhile, the gold mining investment companies are living on the fat of earlier high mining profits. This week **UC Investments** has reported record earnings for 1980 and lifted its dividend total to 150 cents (83.7p) from only 60 cents. Sentrust has raised first half earnings to R14.34m (£8m) from R8.84m and boosted its interim to 40 cents from 18 cents: the previous year's final was 37 cents.

Consolidated Gold Fields' 46 per cent-owned **Gold Fields of South Africa**, which provides about half the London parent's profits, has reported doubled earnings for the six months to December 31 of R87.1m and, effectively, has increased its interim to 180 cents from 130 cents last time.

The latest payout absorbs about one-third of available earnings whereas the previous year's dividends accounted for half the earnings. GFSA is thus treading a little cautiously in view of the current uncertainty surrounding gold mine profits.

First half results of the parent Gold Fields are due in a few weeks' time and should also make a good showing. But after the strong growth of recent years profits have now reached a plateau and last November's £181m rights issue was designed to provide funds for fresh expansion.

A further £31.8m has just been raised by the sale of the group's holding in the Australian **North Broken Hill** to **EZ Industries** at the equivalent of 211p per share compared with a market price of around 160p. EZ has been prepared to pay as much as this as a defensive move because NBH, which has been subject to take-over rumours, holds 32 per cent of EZ.

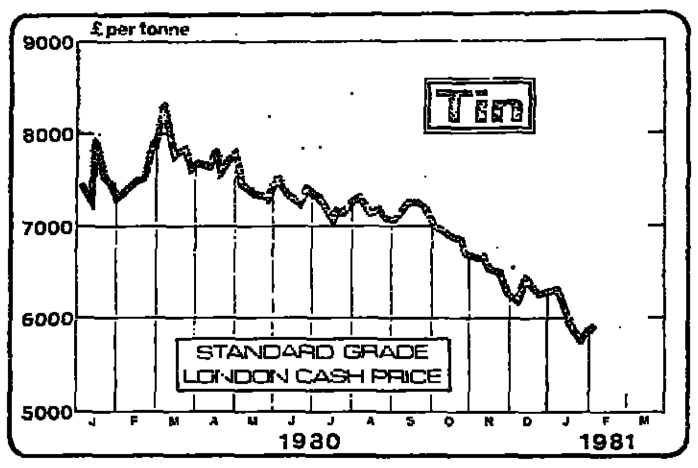
Gold Fields will be busily engaged over the next year or so in acquiring new assets and continuing its exploration activities. Unless the gold price picks up, however, the group may be hard pressed to maintain much growth in earnings during 1981-82.

But, as the saying goes, it is better to suffer a little discomfort with money than without it.

TIN OUTPUTS COMPARED

	Dec., 1980 tonnes	Nov., 1980 tonnes	Total to date tonnes	(months)	Same period previous year tonnes
Amal. of Nigeria (tin)	§	167	973	(8)	1,082
Amal. of Nigeria (columbite)	§	13	144	(8)	119
Aokam	126	133	593	(6)	949
Ayer Hitam	103	114	724	(6)	976
Berjuntai	256	212	2,272	(8)	2,547
Bisichi Jantar (tin)	§	§	199½	(9)	219
Bisichi Jantar (columbite)	§	§	247	(9)	265½
CRM Sri Timah	51¼	56½	820	(12)	743¼
Geevor‡	104	98	834	(9)	790
Gold and Base (tin)	§	20	244	(11)	300
Gopeng	127	127¼	387¼	(3)	517
Idris	6	1¼	159	(12)	267¼
Kamunting	—	—	20	(8)	373
Kinta Kellas	46¼	33¼	283½	(9)	336½
Kuala Kampar	20	20	194	(9)	203
Malayan	701	685	2,894	(6)	1,805
Pahang	112	112	559	(5)	604
Pengkalen	7¼	8½	23	(3)	48
Petaling	87½	82	169½	(2)	337¼
Rahman	98¼	85¼	610	(6)	406
St. Piran—Far East	7	9	119	(9)	122
St. Piran—UK (South Crofty)	183	171	1,494	(9)	1,456
St. Piran—Thailand	50	69	553	(9)	740
Sungei Besi	113	121	1,052	(9)	1,498
Tanjong	18	5¼	268¼	(12)	196¼
Tongkah Harbour	57	22	212	(6)	228
Tronoh	46	47	1,374	(12)	2,152

‡ Figures include low-grade material. § Not yet available. Outputs are shown in metric tonnes of tin concentrates.



Good old drivers

INSURANCE
ERIC SHORT

THERE WAS good news this week for some motorists. Royal Insurance, with its new scheme "Carshield 50" is actually reducing its premium rates for motor insurance in respect of motorists over 50. The rates under this scheme are around 20 per cent below the company's normal rates—a change from the usual annual increases of this amount.

But it is only in the past couple of years that certain insurance companies have started to adjust their premium rates for older drivers though all companies have had no hesitation in increasing motor premium rates for the under 25s. This adjustment for older drivers makes a rating based on age as well as type of car and area of residence.

The insurance companies have adopted differing approaches to rate cutting for the elderly driver. Guardian Royal Exchange and Provincial Insurance, for example, have simply reduced their basic rates by 10 per cent for drivers aged 60 and over. Other companies, however, have adopted a more sophisticated approach calculating premium rates based on the claims records of older drivers. This is the approach used by Royal, and is already in use under schemes from Sun Alliance and Legal and General—two pioneers in this market. The Sun Alliance 50 Plus plan has a complex rating structure based on the age of the driver, the use of the car and the annual mileage done by the driver as well as by type of car and place of residence. Royal's plan only assesses rates on the more normal features.

But in order to qualify for these reductions, all insurance companies impose certain restrictions. The car must only be driven by the husband and wife and perhaps one other named member of the family over 50. This qualification prevents the use of the car by the children —often under 25—who if they took out insurance in their own name would be paying quite high premiums.

Then the cars have to be of the family saloon or estate car type—no souped-up racers are eligible. There is an automatic excess—usually £25—applied to all claims except fire, theft and broken windscreens.

The drivers have also to state that they are in good health. The insurance companies, however, accept the statement of the motorist and have ceased the practice of asking for medical certificates for drivers under the age of 75. Such a practice in the past caused embarrassment between some drivers and their doctors especially in the cases where doctors were doubtful whether their patients should drive.

The various plans offered by the insurance companies usually incorporate special additional features. Royal's Carshield 50 includes a "Better Car Benefit" which provide up to £3,000 extra on a claim to help the motorist replace his car with a brand new model, if his original car was not more than two years old and has either been stolen or badly damaged. Royal's plan also carries an option enabling drivers to protect their no claims discount on payment of an extra premium.

But it is not only elderly drivers that can get a discount on motor premiums. Some insurance companies also give discounts for elderly cars. Provincial Insurance offers a 10 per cent discount to cars aged six to nine years and a 20 per cent discount to cars aged 10 to 25 years. This discount is in addition to the elderly driver's discount.

Cost of comprehensive motor insurance for a driver aged 60

(1) Cortina 1600 cc

Company	Place of residence: Annual Premium Liverpool £	Annual Premium Cornwall £
Legal and General	80	64
GRE	86.80	57.10
Royal	88.64	72.88
Sun Alliance	93.45(a)	65(a)
	79.30(b)	55.15(b)
Provincial	115.92(a)	85.68(a)

(2) Escort 1300 cc

Company	Annual Premium Leeds	Annual Premium County of Avon
GRE	51.20(c)	51.20(c)
Royal	59.20	54.04
Legal and General	60	54
Sun Alliance	72.20(a)	61.28(a)
	61.30(b)	52.05(b)
Provincial	99(a)	90(a)

(a) New car (b) Car seven years old
(c) Higher premium for new models

YOUR SAVINGS AND INVESTMENTS 2

John Makinson looks at the confusion in the foreign exchange markets

Beating a path through the money jungle

THERE USED to be a quaint old theory that it makes sense to buy low-yielding currencies like the Deutsche Mark or Swiss franc because they appreciate against *high interest-rate* currencies like the pound or the dollar. Low interest rates, so the *argument ran*, are a function of low inflation rates. These stimulate export competitiveness which in turn help to produce a healthy current account surplus.

In this perfect world, the exchange rate would then rise to compensate for the inflation differential and bring the current account back into equilibrium.

Foreign exchange markets have never paid much attention to this admittedly simplified model but rarely has the correlation between interest rate and exchange rate movements looked more confusing than over the past few months.

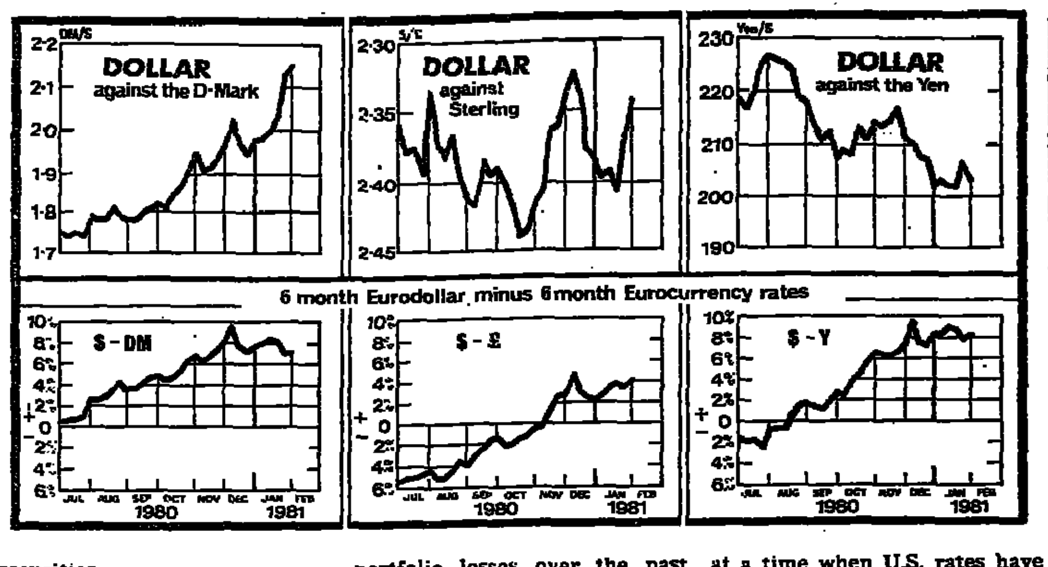
The accompanying chart shows three quite different patterns. Since the beginning of July, high U.S. interest rates have produced a dramatic swing in *the interest rate differential* with the yen, mark and pound. The gap between Euro-dollar *and other* Euro-currency rate has moved by between 7 and 9 per centage points.

Yet this comparative uniformity in the development of interest rate differentials has clearly failed to produce any consistency in exchange rate movements. The mark has fallen sharply against the dollar, the yen has appreciated and sterling, after some heady fluctuations, is more or less back where it started.

A cursory look at the current account positions of the four countries goes some way towards explaining the puzzle. West Germany registered a yawning current account deficit of around DM 28bn last year, close to 2 per cent of GNP, and is expected to produce *a deficit* of about DM 24bn in 1981. Evidence of the magnitude of Germany's *payments* difficulties acted as a major depressant on its currency.

Japan *has* also been in deficit but the shortfall of about $10bn recorded last year was lower than had been expected in early 1980 and the position should improve further this year. A more optimistic view of the current account helped to push up the yen from August of last year onwards.

Yet this brighter outlook cannot alone explain the yen's remarkable strength against all other major currencies. It is significant that the currency appreciated most rapidly in August and September when, according to Bank of Japan figures, foreigners were very heavy purchasers of Japanese securities.



Almost certainly, exchange rate movements in the second half of last year were dictated partly by a structural change in the currency holdings of several OPEC countries. The primary beneficiary of this apparent diversification away from the dollar and mark was the yen.

The OPEC buyers have concentrated on equities and other *long term investments.* At the other end of the spectrum, institutions have been chasing high short-term interest rates. Bond portfolio losses over the past couple of years have made investors cautious about locking into long-term fixed interest securities and U.S. institutions, for example, kept a high proportion of these assets in cash last year.

As a result, the currencies offering a high short-term return, particularly the pound and dollar, have appreciated on a trade-weighted basis. Concern *has centred on tomorrow's* movement in rates. The dollar's recent strength against sterling and other *currencies has come* at a time when U.S. rates have actually been falling. Yet the market seems convinced that, whatever happens to credit demand, the Fed will act to keep the supply of money tight.

Six months is a short time in the history of the foreign exchange markets and currencies still show some conformity to the fundamentals over a period of years. But the fluctuations and idiosyncracies of the past *few months do at least indicate* the pitfalls of playing the foreign exchange market according to *the book.*

After the LOA bloodletting . . .

IF TROUBLES come three at *a time* the Life Offices Association (LOA) must reckon its recent worries will be over soon. Schroder Life's decision this week to quit the LOA follows the examples of Crown Life last summer and Abbey Life just before Christmas—in each case about the question of how much commission insurance *brokers should be paid.*

At least one small company, Provincial Life, seems poised to *follow suit but further significant* resignations are not expected and the LOA must hope that the blood-letting will now stop. The issues raised by the latest LOA defection, however, are still important.

Schroder's dispute with the LOA, as with Crown and Abbey's centres on the so-called commissions agreement drawn up by the association in 1976. Under this agreement member companies cannot pay brokers more than a certain level of commission which varies according to the type of policy being sold.

According to the LOA, which represents about 90 per cent of the industry, the commissions agreement is a vital piece of consumer protection. Without it, they argue, brokers—who after all are fallible like the rest of us—would be tempted to favour companies offering the highest inducements at the expense of those with the most attractive looking policies. A full scale commissions war would ensue.

The brokers do not see it in this way, and last year they tried, *largely unsuccessfully, to* get the LOA to modify its rules. In particular the brokers' professional association, the *British* Insurance Brokers Association (BIBA), feels life companies ought to distinguish between qualified insurance brokers (such as members of BIBA) and part time insurance agents such as solicitors and accountants. No prizes for guessing who should get more. In addition, BIBA argued the LOA should allow what is known in the trade as "overriding commission," effectively an extra reward for large volumes of business.

The LOA's answers to the first *point* is simple. Companies should, and in some cases do, differentiate between full- and *part-time intermediaries*—by paying the latter less than the permitted maximum. On the question *of "overrides" the* association claims most members have even stronger views—by giving their blessing to such an arrangement, brokers could easily lose their independence.

Companies which have left the LOA, including Schroder Life, have done so primarily over this second issue. In all *cases, of course, they deny that* policy-holders will suffer.

Behind the recent walk-outs, *however, lies a deeper division* between the older traditional companies which dominate the LOA *and some of the new unit* linked groups such as Abbey, Crown, and Schroder Life.

Schroder's actuary, Mr. Malcolm Taylor, claims that the LOA commissions agreement is "wholly inappropriate" for a unit linked company. "The charges on a unit-linked policy are plainly visible on the marketing literature. Policyholders can see exactly how much of their money is being invested and if we get out of line with the competition we will obviously lose out." Traditional companies, so the argument continues, do not declare their charges. Investors taking out, say, a standard endowment contract cannot tell how much of their premiums are going into the life funds—hence the need for protection.

Judging by the company's comments this week, Schroder Life is also unhappy with the LOA's tied agency rules. Tied agencies—brokers who are not independent but exclusively sell a particular company's products—should be indistinguishable in the public mind from direct salesmen. The LOA is currently trying to make such ties more effective—consumers, in other words should be made aware of the interest involved.

Tied agents, like direct sales forces, are exempt from all commission agreements and it may not have been lost on Schroder Life that companies selling in these ways were more successful *than those using brokers in* attracting new business in 1980.

The most important issue is *not the extra commission which* Schroder will now pay certain intermediaries—plenty of LOA members are shelling out more to their own sales force or to tied agents.

More worrying for consumers is the possibility that independent advice may not always be what it seems. In this context "overrides" and poorly enforced tied agency rules are equally dangerous.

Tim Dickson

For the gambling man . . .

A 20-25 PER CENT return over two years—that is the juicy *prospect for anyone prepared to* take a gamble on unsecured loan stocks. High returns *invariably mean high risks and* investments offerings yields of 25 per cent are not for the feint *hearted. The trick is to try* to pick those stocks that will live up to their redemption *yields by being repaid.*

HIGH YIELDING SHORT TERM UNSECURED LOANS

Company	Stock	Redemption Yield %
Associated Fisheries	7½% 1977-82	24.7
BL	6.1% 1977-82	20.7
Johnson Firth Brown	10% 1982	24.2
Orme Developments	9% 1982	21.1
Mersey Docks	5½% Deb. 1980-82	34.0

The idea is to look for short dated stocks offering yields of 20 per cent and more. Inevitably the names that come up—shown in the accompanying table—are companies which are facing problems of varying degrees. But keeping the list down to stocks due to be repaid within a couple of years does give a *chance to make some* value judgment on the companies' ability to repay the loans *on the due redemption dates.*

BL not surprisingly features in the list. Taking a view on BL's long term prospects is not the easiest task but with the Government's recent declaration of support in the form of a near £1bn capital injection over the next two years you have to take a really pessimestic line to believe that £3.4m *of loan stock will not be repaid.*

If BL's trading is particularly bad the Government might be tempted to refuse extra cash to repay unsecured loan stock holders. Yet would the Government make an issue out of such a relatively small loan? There is obviously an element of doubt — hence the 21 per cent redemption yield — but the dangers are perhaps exaggerated in the price.

In the year to last September *Sheffield*-based engineers Johnson Firth Brown saw its profits fall from £10.3m to £5.58m before tax. After extraordinary items relating to closure costs, etc., JFB had just £332,000 left for shareholders. It had already paid out £1.38m by way of an interim dividend and the final dividend was passed. No one doubts the very real problems that the UK engineering sector faces and JFB's share price reflects these difficulties.

But the question for a buyer of its 10 per cent unsecured loan stock, offering a redemp*tion yield* of over 24 per cent, is will JFB be able to repay the loan in 1982? Having restructured its debt, this loan stock is the only borrowing coming up for redemption in the next two years—overdrafts aside.

Associated Fisheries' record is *hardly* impressive and though its last reported figures—the half year to March, 1980—showed sharply reduced losses from fishing the industry faces grave problems. Only this week the Government said it intended to look at the timing and level of industry aid though details are thin so far. Associated's full year figures, due out the end of this month, should give a better picture of the company's prospects.

Orme's rating on the other hand appears to be suffering from neglect rather than anything fundamental. There is just £1¾m of stock outstanding. The company is now a subsidiary of Comben, an associate of Carlton which, in turn, is a subsidiary of Hawker Siddeley. House building may be going through a difficult patch but the names lining up behind that £1¾m of debt should be good enough to disregard any thoughts of default. But because of the small amount in issue marketability in slim.

The real "flyer" in the list must be Mersey Docks. The yield of 34 per cent reflects the doubts about repayment next year. The company has had a capital reconstruction before and thoughts that it might need another are not far from mind. It told stockholders last autumn it was under no legal obligation to redeem unsecured loan stocks from rental income but it also hinted that land sales might make further redemptions in 1982 possible. Mersey presents the highest risk in the list and of course the highest possible reward.

If this sounds like a trip through a mine-field here is one for widows and orphans—London and Scottish Marine *Oil's 14 per cent Unsecured* Loan stock 1981-83. LASMO is considered a rock solid company *and a loan stock purchase* around the current price of £96 per cent could be a good proposition. The redemption yield of 15.6 calculated to the final *date of December 31, 1983, is* reasonable enough but what excites brokers such as Phillips and *Drew and Gilbert Eliot* is the thought that LASMO may exercise its option to redeem early. *It can at three months'* notice.

A downward shift in MLR could tempt *LASMO'S directors* to refinance at a cheaper rate and save on the not insubstantial cost of servicing the stock register. If LASMO repaid next August the redemption yield would be 21¼ per cent; if it comes at the end of the year it is worth 18½ per cent.

If the stock is kept for the full term the running yield is still 14¼ per cent, not a bad return for losing "the gamble."

Terry Garrett

YOUR SAVINGS AND INVESTMENTS 3

A test for Australian investors . . . **Richard Lambert** reports

Caught by high interest rates

AUSTRALIA has been in a flat spin in the last few weeks, and not just about the appalling Greg Chappell. The stock market has dropped by more than a tenth since the first week in January, and the super-bulls who were so much in evidence around the close of 1980 have suddenly gone to ground.

One explanation for the fall is that foreign buyers, who drove the market to unsustainable levels late last autumn, have pulled back. Most international investors now seem to think that U.S. interest rates are not, after all, going to fall back sharply and quickly from the current high levels. And since the U.S dollar has been very strong lately, the money that was rushing into bolt holes like gold bullion and Australian shares last year has been diverted elsewhere.

As one local market commentatory wrote with breezy insouciance: "Probably the best prospect that market bulls could hope for would be a Russian invasion of Poland."

Domestically, there has been concern that interest rates could rise further in what is seasonally a tight period in the Australian credit markets. Moreover, the equity market has been sucked with a continuing stream of big rights issues. The A$365m issue announced by Broken Hill Proprietary at the end of last week was by far the biggest ever seen in Australia—and Woodside Petroleum followed suit yesterday with yet another jumbo offer.

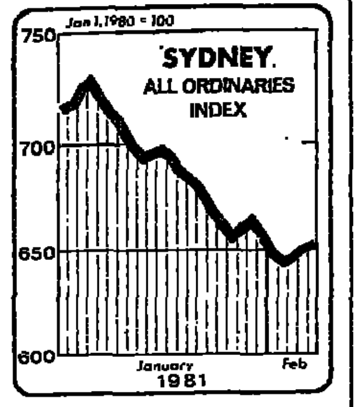
Moreover the resources boom is not yet being reflected in industrial profits. BHP is expected to report its half-year figures at the end of next week, and although they are likely to be well up on the strike-torn period in the latter part of 1979-80, profits will probably be lower than in the first half of last year. The group's steel business is being squeezed by cheap imports and the strength of the Australian dollar, while the oil side has been held back by industrial unrest.

All this is probably enough to explain the reaction in an overheated market. But is this just the start of a big bear slide?

Mr. Alan Coates, general manager of the Australian Mutual Provident Society, thinks not. The AMP is one of the world's biggest life offices, and its proportionate influence on the local stock market is about four or five times greater than that of the Prudential in London.

Apart from taking up its share in rights issues, AMP stopped committing new money to equities last September. But Mr. Coates thinks that share prices have now come back to reasonably stable levels.

"It is my judgment that interest rates have peaked," he says. And although he believes that spending on natural resource projects will not build up on the scale or at the pace that the Australian Government was projecting last year, he is confident that massive new projects will go ahead all the same.



The AMP itself is committed to investing very large sums directly in coal mining, an aluminium smelter, and a number of other developments.

As for share prices, Mr. Coates is not looking for anything spectacular in 1981. The market could move 25 or 50 points either side of its present level for the rest of the year, he reckons.

It could be the time to trust convertibles

CONVERTIBLES
IAN RODGER

THE LAUNCH this week of the first unit trust to specialise in convertible loan stocks could provide further stimulus to the recent resurgence of convertible issues.

Framlington Unit Management, which is offering the new trust at 50p per unit for the minimum investment of £300, claims that investors are increasingly attracted to convertibles at a time of economic uncertainty.

Mr. Bill Stuttaford, chairman of the trust, argues that many investors do not expect share prices to rise much if at all in the near future. Moreover, those in need of income may also be alarmed by widespread dividend cuts and so are likely to look favourably on relatively high yielding convertibles.

This same view seems to have been taken by the handful of companies that have chosen in recent months to offer their shareholders rights issues of convertible loan stock instead of the more customary plain equity.

Although not yet a major trend, the resurgence of convertibles resulted in £215.7m being raised in this form last year, compared with only £26.8m in 1979 and a mere £2.4m in 1978. So far this year, two issues totalling £11m have been made.

The major issue last year was the £125.9m one by Rio Tinto-Zinc in September. It had been preceded by a £4.3m issue from NSS Newsagents in May and followed by a £24.3m offering in November from London Merchant Securities. Arthur Bell and Son, the distilling group raised £13.6m in December.

Last month, Portals Holdings, the security papermaking and engineering group in which the Bank of England has a 28.8 per cent interest, launched a £9m issue and Crystalate (Holdings), the fast-growing telephone component group, made a £2m issue.

The only common threads in these issues are that the companies are prosperous enough to be able to support the cost of the loan stock interest and their equity yields are low enough to make the stock yield attractive.

Their plans for the proceeds vary widely. NSS Newsagents needed funds to pay off loan notes and make an acquisition. RTZ said it had its eyes on new investments in energy resources and related industries. LMS cited ambitious but unspecified property and energy investment plans and Arthur Bell said it would use the funds to finance whisky stocks.

Portals needs additional working capital for its water treatment plant contracting business and is building a new paper mill in the U.S, while Crystalate requires funds to finance the development of new products while looking for acquisitions.

The potential for convertibles should not be exaggerated. They are unsuitable, for example, for many hard-pressed industrial companies simply because of the added income gearing they impose. Also, many finance directors would rather not live with the uncertainties implied in conversion rights.

In the current period of high interest rates, a company might be attracted to a convertible as a relatively inexpensive form of borrowing. In fact, it is a deferred share that provides a fixed return until converted and then becomes equity, the most expensive form of capital because it carries permanent and rising charges.

A convertible issue may turn out to be cheaper than an issue of ordinary equity—at least until conversion occurs — but only if the coupon rate is less than double the equity yield and provided that the company has tax liabilities against which to offset the cost of the coupon. Only Bell and Portals among the recent issuers meet these criteria.

Some analysts argue that a convertible issue is cheaper for a company than an equity issue because it involves issuing shares at a premium to the market price rather than at a discount. In fact, when conversion occurs, what was once a small premium will usually have become a much more substantial discount to the then prevailing market price than that required in a straight equity rights issue.

A significant disadvantage of convertibles is the highly complex process of assessing their value. This is true not only for ordinary investors but also for professional underwriters as the performance of some recent issues has shown.

The Bell and London Merchant offerings were flops, attracting only 25 per cent and 14 per cent acceptances respectively. Admittedly unnerved by these results, the underwriters of the Portals and Crystalate convertibles set very generous terms and the Portals issue in particular is now trading at an embarrassingly handsome 17 per cent premium in nil paid form.

The pricing of convertibles involves taking a view on the likely growth of the dividend on the equity because when the equity yield exceeds the loan stock yield, the stockholder will convert. The excess income he will have made on the stock in the meantime indicates the premium he may be willing to pay for the stock.

The premium is derived partly from the coupon rate and partly from the conversion premium. Some stockbrokers cite a rule of thumb that the coupon rate should be roughly double the equity yield but it also has to relate to prevailing market rates. The 7½ per cent coupon on the London Merchant issue looks inadequate even though more than five times the equity yield and the stock is trading at a discount.

London Merchant also demanded a hefty 20 per cent conversion premium and Arthur Bell 13 per cent whereas RTZ set the premium at less than 3 per cent, Portals at 5¼ per cent and Crystalate at 6 per cent.

In addition to these considerations, the underwriter has to worry about the share price declining during the period of the stock offer. This may happen because of changes in industry conditions, as seemed to be the case in the sharp declines of the bell and London Merchant shares, or because some shareholders decide to switch from the shares to the stock.

Small wonder that someone came up with the idea of a unit trust specialised in convertibles. Framlington is banking on the idea that there are many investors who do not want to be bothered with the complicated analysis but who do like the compromise between income and capital growth potential offered by convertibles.

"Not the best of both worlds," Mr. Stuttaford cautions, "but a little bit out of each."

Pepping up the scene

THIS WEEK it was the merchant banks' turn to pep up the unit trust scene with three new funds from Schroder and one from the normally reticent S. G. Warburg.

Warburg's Mercury Gilt Fund, which will be run by its subsidiary, Mercury Fund Managers, is perhaps the most interesting. Two points deserve attention—the absence of any initial charge and the abandonment of specific income objectives in favour of all out capital growth. The minimum investment is £2,500.

Schroder Unit Trust Managers, meanwhile, is launching three new funds this weekend—American, Tokyo and Gilt and Fixed Interest—and will be aiming at all comers, with a minimum investment in each case of £500.

PROPERTY

First time buyers' guide

BY JUNE FIELD

A PARTICULAR boost for first-time buyers was the declaration last week by Abbey National chairman Sir Campbell Adamson, that their latest "borrowers' charter" included "the right to a mortgage based on ability to pay, not restrictive income multipliers."

Interpreted, this means that although Abbey's rule that loans must not exceed two and a half times the principal borrower's gross annual income (or that a borrower's monthly mortgage payments must not exceed the gross weekly income), with an allowance for a secondary income, there will be flexibility in certain cases.

For instance if you have got prospects, such as being a trainee in line for a manager's job in a few years time, when your present £6,000 p.a. could become £8,000 or more, then the society's local branch manager can use discretion for a larger loan. Or if you have a good job locally, and haven't the heavy outgoings of a rail season-ticket, then a case can be also considered on its merits.

Another long overdue move is the "assumable" mortgage—the facility on moving house either to transfer the loan to the buyer, or to use your existing advance plus a further one, by means of a Transfer of Equity, providing the vendor and purchaser are both Abbey National members. Simplifying legal procedures would be a remarkable achievement too, Sir Campbell Adamson admitting:

"The reasons for full investigation of title on each successive occasion on which a house is sold, remain a puzzle to the layman particularly when the buyer and seller are members of the same building society, and the deeds are immediately returned to the same vaults."

Sunley Estates, the £5½m wholly owned subsidiary of Sunley Holdings, report that since the turn of the year business has picked up tremendously. "The two months at the end of last year were terrible," Mr. Griffith Collins, sales manager, told me. "Now it's as if a pent-up demand has suddenly been released, with the bulk of the business from first-time buyers."

Sunley incentives include a two-year mortgage interest rebate, where they pay the difference (by eight quarterly payments), between the old 11¾ rate and the 15 per cent rate, now of course reduced to 14 per cent. First-time buyers benefit particularly, because they can use the scheme to get a lump sum to use towards a deposit. So if the mortgage rate goes down further, they will have had the benefit of the full subsidy. And mortgages, through approved building societies, have to be a minimum of £10,000, a maximum of £25,000.

The following table shows the position with a £20,000 mortgage.

For those in a higher bracket, there is a new discount scheme for large houses in Skaynes Hill, near Haywards Heath, Sussex; for those who reserve before the end of February, and exchange contracts before the end of May, there is £1,000 off the purchase prices of £60,000-£65,000.

Sunley Estates has 10 sites throughout Surrey, Sussex and Kent, and a land-bank in excess of 1,500 units, with some 200 to 250 units going through at one time. Just going on sale at Parkwood, Rainham, Kent, suitable for a starter-home, is the "Sunley Special," a one-bedroom flat of 490 square feet, for £17,500. There is a model to see at Parkwood and actual units will be ready for occupation at the end of the spring.

	Gross £	Tax Relief £	Nett Cost £
Interest first year at 14%	2,800	840	1,960
Interest first year at 11¾%	2,350	705	1,645
Increased nett cost per year			£315

£315 x 2 for two years=£630
In this case quarterly payments of £78·75 will be made to the buyer.

On Thursday, Barratt Developments (Luton) launched a whole estate aimed at first-time buyers. Over 500 specially economically priced and energy-saving units — houses, bungalows and flats, are being built at Two Mile Ash, on the west side of Milton Keynes, on the A5, where the new rail station is due to open next year.

"We consider this is a unique project which could be a blueprint for the future, as private developers become more and more involved in providing housing for single and young people, and as local authorities are less able to meet these needs," says Mr. Michael Pattinson, sales director.

For sale will be two-bedroom houses at just under £21,000, one-bedroom semi-detached houses at £16,000, and the first of the new fully furnished and equipped "Studio Solo" apartments at £13,500, which created such enormous interest when I wrote about them last year.

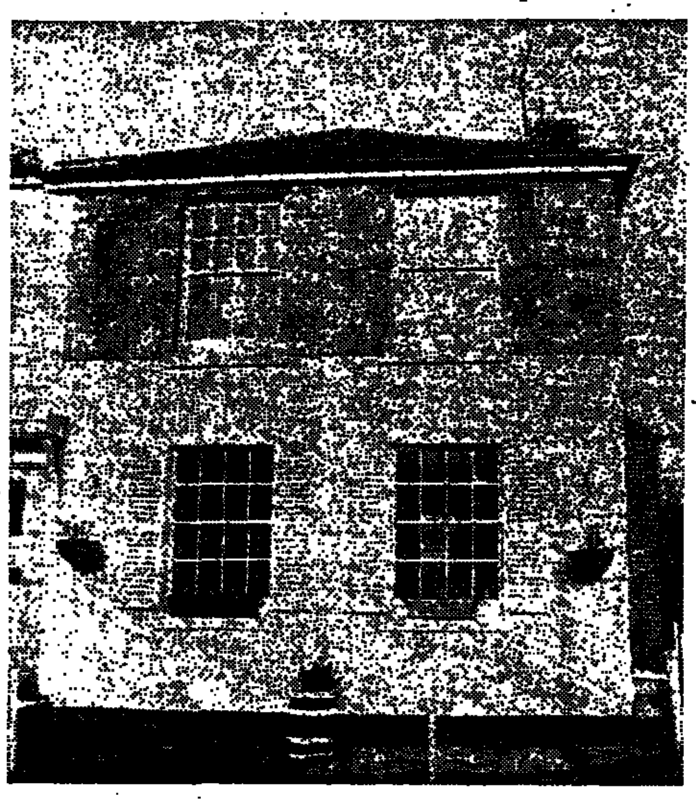
Barratt Developments' next small family/single person project will be launched on Wednesday at a conference for "Home World '81" exhibition to be held at Milton Keynes in May. Accommodation will be called "The Frenchay," and will have a ground-floor sitting-room and kitchen/diner with a staircase leading from the living-room to a galleried-bedroom on the first floor.

I saw this unusual, although not new, gallery idea successfully tried out by Barratt's investment company at one of their conversion projects in Cheltenham a year or two back. The galleried apartments sold like wild-fire to young people wanting something different; and provided the price is right (possibly around £15,000 to under £20,000 according to what part of the country they are built in), it is certain the new version will have equal appeal.

Further information: Abbey National leaflets from Mr. John Fry, general manager, marketing department, Abbey National Building Society, 27 Baker Street, London, W1. (The address is the original "home" (221B), of Sherlock Holmes and Dr. Watson. Mr. Chris Bazlinton, who edits the Abbey National's publications, will also answer any inquiries on Holmes and Watson.)

Brochures on Sunley Homes from Mr. G. Collins, Sunley Estates, Park House, 22 Park Street, Croydon, Surrey (or their showhouses open 7 days a week), and on the Barratt developments, Mr. M. Pattinson, Barratt House, 668 Hitchin Road, Luton, Beds.

New Georgian-style 4-bedroom houses at The Orchard, Milford-on-Sea, with views over Christchurch Bay. Prices from £49,950. Details Paul Jackson, Jackson and Jackson, The House On The Quay, Lymington, Hampshire (0590 75025).



Modernised 3-bedroom semi-detached Regency house in Church Lane, Pilley, near Brockenhurst in the New Forest, is £37,000. Details Paul Jackson, Jackson and Jackson, The House On The Quay, Lymington, Hampshire (0590 75025).

A Catch 22 situation

GOLF

BEN WRIGHT

TELEVISION golf viewers in the United Kingdom must have been chagrined that ITV were unable to bring to them by satellite the very exciting finish, including the first five-man play-off of modern times, for the Bing Crosby national Pro-Am last Monday at Pebble Beach, California. I can imagine what a field day the people have had, falling back on their usual facile argument that this would never have happened had the BBC been covering the event, because the BEEB would have managed to find a place for the event on one or other of their channels.

Dead wrong. ITV golf's executive producer Lawrie Higgins was powerless in Pebble Beach when the CBS TV network which was providing the coverage and which, like ITV, has only one channel, very reluctantly decided it was impossible adequately to cover the Monday finish of an event that had been postponed and limited by torrential rain storms from 72 to 54 holes.

The CBS decision was predicated on a Catch 22 situation that almost defies description, but must be explained. Firstly 168 amateurs each paid $750 for the privilege of partnering a single professional over three rounds, one each at Cypress Point, Spyglass Hill and Pebble Beach. Normally the low 70 professionals and those tied for 70th place together with the best 25 teams go forward to the final round at Pebble Beach. On this occasion there was no cut, however. So CBS was faced with an impossible situation for Monday's third and final round that involved six different starting and finishing holes since the players started at both the first and 10th tees on each of the three courses. No one could possibly predict where the winner would come from.

If you watched Saturday's first-round coverage you might well have been asking why such luminaries of the professional game as Eric Pohl, Paul Wilcox, John Mazza, David Brownlee, Doug Campbell, Bill Loeffler, Bill Majure, Ernie George, Gary Bauer and Mac O'Grady were flitting across your screens. The answer is that this was actually Thursday's first-round Pebble Beach draw three days late. The only concession to television the USPGA tour could make was to ensure that the best professionals and most renowned celebrities appeared before the cameras at Pebble Beach on Sunday to save CBS and ITV from an unqualified disaster. CBS was even so embarrassed by the quality of the players mentioned above that they even screened in entirety a lighthearted interview.

In the finish—if you can call it that—seven players teed off on Monday within two shots of one another, so a play-off was considered virtually a certainty. Tom Watson and Brad Bryant, the overnight leaders at eight under par 136 were to start at the 10th tee at Spyglass Hill, by common consent the toughest of the three courses. Also due to start there were Ben Crenshaw and John Cook, the eventual winner, who were tied at 137. Because Jerry Pate, who was also tied at 137 was due to start from the first tee at Pebble Beach he was generally considered the favourite to win. But in the finish he didn't even make the play-off with a round of 73. Bobby Clampett (138), who lives in the nearby Carmel Valley, was due off the 10th tee at Cypress Point, the easiest of the three courses, and was thus considered second favourite. Greg Powers, also on 138 was to start at the first hold hole at Spyglass Hill, so he was considered the outsider of the seven. This forecast at least was borne out when Powers scored 75 there to finish well down the list.

With the majority of the spectators gawping at celebrities at Spyglass Hill the 6 ft 5 in tall, 10-year veteran journeyman Barney Thompson sneaked into the play-off with a splendid round of 67 at Cypress Point. At one time Watson was no less than three shots clear of the field. But his last nine holes cost him three, three-putt greens and a ball in the water for a dismal 40 to miss the play-off by a single stroke. Crenshaw and Bryant (74) each also later enjoyed the outright lead, but the former took three putts at his 18th hole and the latter dropped two sad strokes at his 17th.

So Thompson (67), Irwin (70), Clampett (71), Crenshaw (72) and Cook (72) eventually gathered at Pebble Beach when they had finally discovered what had transpired in the complete absence of leader boards at Spyglass Hill. Within half an hour three of them were back in the clubhouse as first Cook holed a 10-ft birdie putt at the 382 yards first hole, and Irwin followed him in from four feet to eliminate the other trio. The vastly tough and experienced Irwin should have clinched the title at the 502 yards second hole against the 23-year-old blond and slender former U.S. amateur champion, who is only in his second season on the tour. But Irwin missed his birdie putt, again from four feet, and on the 388 yards third hole paid the price when this time Cook hit his second shot four feet from the hole. As the light was fast failing Irwin missed the green, chipped up 6 ft from the hole and missed his putt for par. Cook also failed to hole his birdie putt, but par was good enough to give him his first victory as a professional — a strangely confused and largely unheralded one — but nonetheless valuable to him for that.

SKIING

ARTHUR SANDLES

BBC television's Ski Sunday can be an irritating half an hour of entertainment but last week saw a glittering exception. The weather at St. Anton was obviously superb and the skiing quite astonishing. David Vine's once superficial commentaries are now showing the depth of someone who is getting hooked on the sport and, all in all, the show promises to continue to be worth watching.

The major gap continues to be the lack of thoughtful interpretation for the recreational skier. Most of us could not name half a dozen top-rated World Cup skiers, never mind identify their countries and place them in the current world rankings. The leap between the gentle stem christies that are the basis of most British skiing and the powerful thrusting of the champions is a bit of a leap for the imagination.

What was particularly noticeable in last week's men's slalom was the astonishing fitness of the competitors. I began to realise why I have particular trouble coping with long, heavy snow, mogul slopes these days: my legs are just not the sort of tough springy things that are necessary for long stretches of that much desired *avalement*.

Avalement is a less trendy word in the ski business than it was, but it is still an essential activity for mogul skiing. For non-skiers whose eyes are starting to glaze, moguls are snow mounds which look like mole-hills on a ski run and *avalement* is literally "swallowing," that is keeping your shoulders at one level and letting your legs absorb the bumps and dips underneath you.

Mogul slopes are the biggest single test of ski fitness. The thighs begin to groan.

It is a bit late to start thinking about real exercise to cope with the tests of moguls—but even if you only have a week to go before heading for the slopes try the following panic routine:

- Avoid lifts and run up all stairs, especially underground escalators.
- Dust off the bicycle and use it—climbing as many hills as possible.
- Do at least 20 sit ups night and morning—being sure to keep the soles of your feet flat on the ground.

None of these may do your skiing any good, but just think of how your muscles are going to ripple through those tight ski pants which are becoming so much the vogue.

SNOW REPORTS

EUROPE

Andermatt (Sw.)	170-370 cm	New snow, hard base.
Crans-Montana (Sw.)	80-180 cm	Powder on firm base.
Davos (Sw.)	115-230 cm	Powder. More snow on way.
Grindelwald (Sw.)	100-220 cm	New snow on good base.
Saas Fee (Sw.)	40- 80 cm	New snow. Strong winds.
St. Moritz (Sw.)	40- 80 cm	New snow on hard base.
Wengen (Sw.)	120-220 cm	New snow on good base.
Kitzbuehel (Aus.)	95-200 cm	New snow on hard base.
Seefeld (Aus.)	120-185 cm	New snow on good base.
Wildschoenau (Aus.)	140-260 cm	New snow on good base.
Sauze d'Oulx (It.)	40- 75 cm	Bare patches. Wind blown.
Isola (Fr.)	20- 40 cm	South facing slopes closed.
Flaine (Fr.)	175-520 cm	Excellent skiing.
Les Arcs (Fr.)	135-300 cm	New snow on all pistes.

European reports from Ski Club of Great Britain representatives.

THE U.S.

Sugarbush (Vt.)	8-36 ins	Packed powder. 44 trails.
Stowe (Vt.)	8-36 ins	Packed powder. 30 trails.
Hunter (NY)	20-90 ins	Man-made powder. 32 trails.
Aspen (Col.)	11-27 ins	Packed powder. All runs open.
Park City (Ut.)	20-40 ins	Most runs packed powder.
Squaw Valley (Calif.)	42-84 ins	Packed powder.

Figures indicate basic snow depths at top and bottom stations.

RACING

DARE WIGAN

ROYAL JUDGMENT, one of the most improved chasers in training, could well show in today's Freshfields Holidays Handicap Chase at Sandown that his entry for the Gold Cup is entirely justified.

A smart recruit to chasing last season, but one with no pretentions to Cheltenham's Gold Cup for 1981, Royal Judgment has progressed out of all recognition this term.

The Findon eight-year-old, who quickened impressively to dispose of Brown Jock and subsequent winner, Joint Venture, on the Surrey track, is preferred to Approaching and the now probably over-rated Diamond Edge. Both the last-named and Night Nurse who carries top weight probably need further than three miles to show their best, nowadays. However, it is worth remembering that Diamond Edge has won this event for the last two seasons.

In addition to Sandown's richly-endowed card, there is good racing in prospect at Stratford and Wetherby. The Midlands course stages a hotly competitive Panama Cigar qualifier; while for many the Foxhunter's Chase will be the feature on the Yorkshire course. A number of smart hunter chasers have been declared for the 2½ miles Foxhunter's event including Cheekio Ora, the mount of former champion amateur, Mr. Peter Greenall, and Anna's Prince. The last-named, an assured favourite, is partnered by Mr. Tim Easterby, my idea of a sound bet at 7-4 to secure the 1980-81 Amateur Riders' title.

In the closing event, the second division of the Acomb Novices Hurdle, Mr. Easterby has another chance of strengthening his challenge for the amateur riders championship, for he rides Cornering. The subject of an unsuccessful gamble at Catterick on January 23 where he finished fifth behind Happy Hector after being supported through all rates from 10-1 to 3-1, Cornering came good at Newcastle last week. Although clearly a force to be reckoned with in modest company, Cornering did not, according to The Racehorse's informative column, "Noted in Running," look any too keen when driven clear. A better proposition is probably Redenham

SELECTIONS
SANDOWN
1.30—Desert Hero
2.00—Commandant
2.30—Royal Judgment**
3.00—Snowtown Boy*
3.30—Celtic Ryde
4.00—Karlinsky
WETHERBY
1.00—Castletown Lad
1.30—Don't Forget
3.00—Anna's Prince
3.30—Redenham***

TRAVEL

Wiener blut

BY B. A. YOUNG

"THERE IS more to Vienna," the leaflets say. "Make time for it." Very practical advice, too. It's easy to take Vienna for granted, so familiar has it become in book, play and opera.

You see the palaces of Schoenbrunn and the Belvedere; you go to the Opera (the Volksoper if your tastes run more to Josef than to Richard Strauss); you take coffee with *Schlagobers* and cream cakes as sweet as solid Schubert at Demel's; you watch the fine Lippizaner horses at the Spanish Riding-school; you spend an afternoon at the Prater, remembering The Third Man as you soar up in the Ferris Wheel; you pass an evening at a Heurige in Grinzing drinking new wine and singing with the musicians who come to your table.

However short your visit is, you want to pack all this in, or as much as you can. But it's true, there's more to Vienna.

For example. You have been, say, to the Kunsthistorisches Museum—and here let me insert a parenthesis on public transport. Vienna has the most beautiful trams I know, and a brand-new underground.

So here you are, replete with the riches of the museum, ready for your shopping in the Mariahilfestrasse, Vienna's Oxford Street. "Maria, help me not to spend all my money," is the Viennese interpretation of the street-name. But turn aside first and climb the steps of the Neue Hofburg. Here is a collection of old musical instruments that includes Haydn's harpsichord and Beethoven's piano among the showpieces of a fascinating exhibition. Beethoven's piano, an Erard, is low and angular; the case looks as though it were designed last year rather than in the 18th century.

And while we're on museums: it's easy to overlook the Albertina collection in a modest gallery up a lot of stairs. This is a great collection of graphic art, of which a representative selection is on show. You will find Michelangelo and Leonardo there, a wonderful series of Durer etchings of the Passion, prints and drawings spanning the centuries to Klimt and Schiele. Make time for the clock museum, too, an assortment of timepieces historic, eccentric or merely beautiful. If you are lucky, the director may take you around.

If museums are indeed your cup of tea, Vienna can offer an infinite variety, ranging from Roman ruins to trams, from Josef Haydn to Sigmund Freud.

About eating and drinking: in my experience good restaurants are very good, modest restaurants (the word to look out for is *Beisel*) are good, and if you want to get away from the Austrian cuisine, which is undoubtedly fattening, you can find two branches of McDonald's hamburger joints. There is a fascinating sandwich bar called Trasniewski's in Dorotheergasse, a turning off the Augustinstrasse, just behind the Opera.

Augustin's statue is not in his strasse but in Grinzing, where you go for your Heurige. (All the Heurige-Restaurants are given four stars by the Vienna Tourist Bureau.) In his day, Augustin drank so much good fresh Heurige wine that he became sort of pickled, and when he was buried in a mass grave during the plague, he climbed out again and went on drinking. He survives in a song, "*Ach du lieber Augustin, alles ist hin!*" to the tune, more or less, of "The more we are together," the Frothblowers' Anthem.

Beyond Grinzing, to the west, are the Vienna Woods; on the east of the city are agricultural plains. The Danube is a fraud, as far as Vienna is concerned. What you mostly see is the Danube Canal, a branch line; the Danube itself, which also looks like a canal hereabouts, is way out beyond the Prater. There are some fine buildings beyond it that house the United Nations. Vienna is actually on the Wien, a modest stream that is mostly built over but surfaces to trickle through the Stadtpark, where the statues of Strauss and Schubert and (the latest addition) Robert Stolz stand. The Theatre an der Wien, where Beethoven's *Fidelio* was first played, is, at the time of writing, giving *Evita*.

By London standards, Viennese hotels are not expensive. I stayed last month at a fairly new first-class hotel, the *Koenig von Ungarn*, nestling round a glass-roofed piazza with a tree growing in it, adjacent to the Figaro House, where Mozart wrote *Figaro*, and a hundred yards from St. Stephen's Cathedral. Single rooms go from 560-700 schillings (£15.80-£19.80) a night, double at 440-540 per person; add 100 schillings in summer. This is pretty typical. Dearest on the list, the Inter-Continental, goes up to 1,700 schillings for a single.

British Airways flies one of its nice new Boeing 737s to and from Vienna daily, with an extra one on Sundays and a Trident on Thursdays (Fridays as well in the summer). First Class return, £416.00 (to be replaced by Club in March); Economy, £268; Excursion (minimum six-day stay, maximum, a month) £203; Apex (seven-day minimum, three-month maximum, booking a month ahead), £140. In the Sovereign City Centre programme, prices start at £125 for three nights; in the Travellers Europe programme, at £150 for three nights bed and breakfast in a pension. Austrian Airlines have the same flights (in DC9s) at the same prices, though their extra flight is on Fridays, not Thursdays, and they have no equivalent of Sovereign or Travellers Europe.

The old and new Vienna

Merc's estate versions

MOTORING

STUART MARSHALL

IT TOOK a long time—and I suspect some arm-twisting by dealers who were being got at by prospective buyers—to convince Daimler-Benz that they should produce an estate car.

Once committed, however, they produced a whole range of them. They are called the "T" cars. While not the biggest estates in the world (or even in Europe) they can lay claim to being the best.

At present there are five. The 240TD and 300TD have four and five-cylinder diesels respectively; the 230TE has the new, four-cylinder fuel injected petrol engine and the 250T and 280TE are sixes of 2.5 and 2.8 litres. The 118 mph 280TE is fuel injected and is probably the fastest proper estate car now made. Yet another "T" car is due soon—the 200T. Mercedes held back from a 200T until the new and more powerful 2-litre engine was available. They said the old one would not have been man enough to propel a heavily-laden estate. Anyone who has driven a pre-1981 Mercedes 200 saloon, five up and with a full boot in hilly country, will agree.

All the "T" cars have the same five-door body, which is effectively a stretched compact Mercedes saloon. They are beautifully made. The 300TD I drove for nearly 1,000 miles last month had doors that closed with what used to be called a coachbuilder's click. Unfolding the rear bench (the cushions come down in two parts so you can seat one or two people and still have room for, say, skis alongside) is a pleasure in itself. It unlocks from the seating position and folds down into the floor with the precision of a light aircraft's undercarriage retracting. One thing you never have to do in a Mercedes is to wrestle with flimsy catches to make things work.

Mercedes UK consider there are few cars in the same class as their estates. Taking into account a combination of price, size, engine capacity, performance and engineering merit, they rate only the Volvo 245 and 265 and 2.8 litre Ford Granada as petrol-engined competitors though they include the Citroën CX500D Safari and Peugeot 504GLD among diesel rivals.

Last year, the large, luxurious estate market in Britain absorbed 13,375 cars: 1,045 of them were Mercedes, or close to 12 per cent. They plan to do better this year though the market will be smaller. Diesels have not made much of a mark in this country though across the Channel it is a different story. Only 907 of the luxury estates bought in Britain last year were diesels—but one in every three of them was a Mercedes.

So the 300TD I drove was very much a minority choice. It felt as strong as an ox but as refined, under-bonnet noise apart, as any executive saloon.

The engine fired from cold after the glow plugs had been on for only five seconds. It clucked when idling and sounded like Windsor Davies clearing his throat when accelerating hard in low or middle range of the automatic transmission. But on the motorway at 70 mph (and, come to that, at the 85 mph that at least 25 per cent of the traffic was sustaining on the M1 a few Sundays ago), there is only a remote rumble. The kind of noise, really, that you hear in a Boeing 747 when you are seated toward the rear of the cabin.

Fuel consumption is not the five-cylinder Mercedes diesel's strongest point, especially with automatic transmission, and the 28 mpg I obtained was better than I had expected. With manual transmission (now available on all the "T" cars), a consumption of 30 mpg-plus would be possible. You can brim the tank quickly without the usual mess; a baffle keeps the frothing fuel in the tank instead of dribbling down the body side.

On paper, the 0-60 mph acceleration time of 21 seconds is leisurely but this doesn't tell the whole story. Automatics are nippier in traffic than sensibly, not aggressively, driven manual gearbox cars. The Mercedes, if you wish, can usually be first away from the lights.

As always, I found the seats too hard. They really are intended for people with more natural upholstery than me. I know they are supposed to be good for you (I've had several lectures from Daimler Benz on the subject) but I am convinced they could be just as anatomically correct with a slightly softer layer between the trim and spring case. One friend of mine actually rejected a Mercedes as a company car because he said the seats were firm to the point of discomfort—and he was no lightweight, either.

But the 300TD is a splendid, enduring kind of car. You feel you could drive it to Bombay and back with no more than an oil change. It holds the road well in a solid, four-square fashion. The power steering is excellent (the wheel could easily be smaller) and everywhere you find meticulous attention to detail. The rear screenwash button makes the wipers work as long as it is held down, with a squirt of water every two seconds. Another button keeps the rear wiper going continuously for use in heavy rain.

Prices range from £10,824 for the 240TD to £14,295 for the 280TE. The 300TD I drove is £11,600, plus £615 for automatic transmission.

The Mercedes estate car; as strong as an ox and as refined as an executive saloon

Through Europe by canal

BY SYLVIE NICKELS

WE WERE LEANING on a lock gate by the Ludwig Canal at Kelheim, gazing up into the green distances of the Altmühl valley, when one of the natives came to join us. "The railways killed it," he said after a moment, meaning the canal, and we agreed that the railways had not done much for our canals either. More surprisingly, he told us that gun boats had passed through there during World War II. They must have been very little gun boats, we thought, but how pleased its creator would have been to find his dream still justified a century later.

The canal, completed in 1846 by Ludwig I of Bavaria, effectively linked the Danube with the Main and, therefore, the Rhine. Ludwig was not the first to think of forging a passage between two of Europe's mightiest rivers; Charlemagne had made an abortive attempt a millenium earlier, and it is inconceivable that the Romans did not at least consider it.

Ludwig, however, was the first to achieve it and, despite the railways, the idea remains so good that his canal will soon have a much bigger and better successor. The Rhine-Main-Danube Waterway, already open for some years from the Rhine to Nürnberg, should be finally completed through the Franconian Jura mountains to Kelheim and the Danube by the mid-1980s.

As an engineering feat, it is certainly impressive, though perhaps not quite as impressive, given modern technology, as Ludwig's venture. Nevertheless, with the latest in water-saving locks, 190 metres long and 12 metres wide, the new Europa Canal will be in a position to funnel millions of tons of cargo annually from one side of Europe to the other. What it means for travellers is that any one of us will be able to launch some kind of motorised vessel somewhere at the North Sea end of the Rhine and proceed on an uninterrupted waterborne journey for some 3,500 km, eventually emerging through the Danube delta into the Black Sea.

In the meantime there is nothing to stop us doing sections of these rivers in any of a variety of vessels. There are sightseeing trips on all the dramatic or interesting stretches. There are hydrofoil services linking main cities such as Vienna, Bratislava and Budapest, or Belgrade with the spectacular Iron Gates.

And there are full-scale cruises both on the Rhine and the Danube, the latter taking in seven countries.

While we are on this long-distance river theme, the revitalised Rhine-Rhone canal, also due to open in the mid-1980s, will provide yet another variation on the inter-ocean links between the North, the Med. and the Black Seas. It baffles me completely that, while on the Continent new canals are actually proved to be viable, many of our own ancient waterways only survive because of the vision of organisations such as the Inland Waterways Association and the dedication of tiny local bodies devoted to the care of some cherished stretch of water.

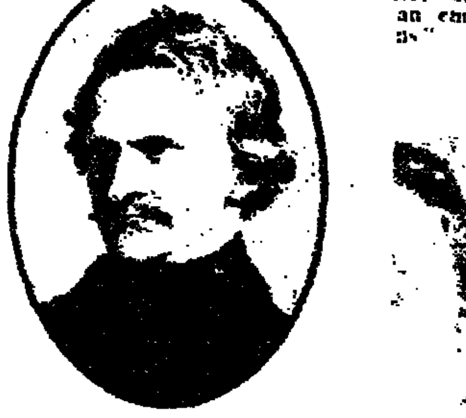
Each year, new destinations appear among the older favourites of big agents like Blakes and Hoseasons. The older foreign favourites include the canals of Holland, of Brittany, of Burgundy, and of southern France, to which in 1981 Blakes are adding the lakes of Sweden and the St. Johns River of Florida, no less! For European destinations, hire charges are quoted either separately or as part of a car ferry package.

There are, however, points to remember. We hired a cruiser on East Anglian waters one winter week-end, benefiting from rock-bottom rates and deserted waterways (except for the ubiquitous anglers hunched under their green umbrellas along the banks). But we had to concede that short winter days make evenings correspondingly longer and that when temperatures plummeted to below freezing, we were exceedingly grateful for every extra blanket on board.

For those who can manage it, May and late September are the times I recommend for getting the best of all worlds.

Some addresses: Rhine cruises: KD German Rhine Line, 33 Cranbourne Street, London WC2H 7AD; Danube cruises: Soviet Danube Shipping Company, CTC Lines, 1-3 Lower Regent Street, London SW1Y 4NN; Cruiser hire and/or hotel barges: Blakes, Wroxham, Norwich NR12 8DH; Cox and Kings, 46 Marshall Street, London W1V 2PA; Hoseasons, Sunway House, Lowestoft, Suffolk NR32 3LT; Inland Voyages, 1-4 The Birtles, Wythenshawe Town Centre, Manchester 22 5RF.

A hydrofoil passing the medieval Kaub castle on the Rhine



King Ludwig I of Bavaria

Longleat Safari Park is not open all the year, as reported in a travel feature on January 24. Longleat House is open all the year round except on Christmas Day, and the Safari Park is closed from the end of October to the beginning of March.

Now is the time to order snowdrops

GARDENING

ARTHUR HELLYER

THIS IS a good time to think about snowdrops, partly because they are in flower and can be looked at and compared one with another but also because the best time to transplant them is immediately the flowers fade. Unlike other bulbous-rooted plants they do not enjoy being lifted when they have finished their growth for the year and sold as dry bulbs though, for convenience of handling, this is the way most commercial bulb growers do market them.

But there are a few specialist firms, including Broadleigh Gardens, near Taunton, which make a practice of including snowdrops in their spring catalogues so that they can despatch them in March or early April. This is also a good time to dig up overcrowded colonies in the garden, split them up and replant. They should be dug up with plenty of roots just as if they were ordinary herbaceous perennials and should be replanted with as little delay as possible.

Snowdrops thrive in semi-shade or in the open. I grow nearly all mine among deciduous shrubs where they get plenty of light from November until April but varying degrees of shade after that and it seems to make no visible difference to their growth. Most kinds clearly like moisture, which is why they usually do well in rather heavy or humusy soils that do not dry out badly in summer but there are exceptions even to this rule. Oddly enough they do not seem to like animal manure but will take any amount of leaf mould, peat or well rotted garden compost.

Snowdrops need to be planted with their bulbs about 3 in. beneath the surface. Spacing can be determined by the speed with which one wants the ground completely covered, my usual practice being to plant the bulbs about 6 in. apart. They increase by natural multiplication of the bulbs and, sometimes very freely, by self-sown seedlings. Seedlings of the wild species will more or less exactly resemble their parents but this is not so with garden varieties or hybrids which can only be kept true to type by division of the bulb clusters.

There are many more kinds of snowdrop than most people realise but some are always scarce and difficult to obtain. However readily available snowdrops cover most of the major variations in foliage, flower and habit and so it is only specialists, and there are a good many of them, who spend much time and trouble searching for the rarities.

Prices vary enormously, the common kind, *Galanthus nivalis*, costing a mere 5p to 8p per bulb whereas some of the scarcer kinds can be priced as high as £2.50 per bulb. The common British snowdrop is still the best for naturalising on a large scale in thin woodland or in short grass that can be left unmown until midsummer, by which time the snowdrop leaves will have died down. I have it flowering at the moment beneath the early flowering cherry, *Prunus subhirtella autumnalis* where its looks lovely. *Galanthus nivalis* has also produced a number of superior garden varieties of which my own favourite is Atkinsii. This has longer stems, larger flowers and increases very rapidly by bulbs but never, apparently, by seeds which is rather an advantage since there is no danger of colonies becoming invaded by inferior seedlings.

The same is true of the double flowered form of the common snowdrop, *Galanthus nivalis Plenus* (or *Flore Pleno* in some lists). This is a shorter plant than Atkinsii, a mere 4in. against its 7 or 8in., but it makes a tremendous display with its abundant flowers, each a dangling loose rosette of numerous petals like a wide-spread ballet dancer's skirt. The inner petals are all tipped with green, the outer petals pure white. There is another form named Lady Elphinstone which has yellow instead of green markings but I cannot recollect ever having seen it.

There are many other varieties of the common snowdrop, some rather too much alike to be bothered with unless one is a collector, but Sam Arnot is notable for its exceptionally long outer petals and, though Straffan looks much like Atkinsii, it does start to flower later and so is useful to extend the snowdrop season. There is also an autumn flowering sub-species from Greece named reginae-olgae, which opens its flowers in October or even September but is otherwise much like a common snowdrop. I have never seen it growing or listed but I have no doubt some collectors have it for they do not miss much.

All forms of the common snowdrop have narrow leaves and this distinguishes them at a glance from a number of snowdrops native to Greece, Turkey and the Caucasus all of which have broad leaves. The three that are most readily available are *Galanthus elwesii*, *G. ikariae* and *G. caucasicus* with *G. plicatus* running them a fairly close fourth and *G. byzantinus*, once quite a common plant, now a rarity which is a pity for it is a handsome snowdrop, long stemmed, large flowered and coming very early. By contrast *G. ikariae* is late flowering, continuing well into March or even early April. Typically it is rather short, its stockiness accentuated by its very broad petals, a feature most marked in a variety named latifolius which is the one usually listed commercially because it is also extra vigorous and multiplies quickly. It is a fine snowdrop for a rock garden, open or semi-shady, and it is one of the very few that do not mind being dry in summer.

Galanthus plicatus is a beauty with extra large flowers seen at their finest in a variety named Warham originally discovered wild in the Crimea. It has been growing in British gardens for well over a century and so is a well proven plant. It is probably the largest of all snowdrops and it carries its flowers on long, sturdy stems well above the broad blue-grey leaves. There is also said to be a double flowered variety of *G. plicatus*, which must be a stunner.

BOOKS

Before Ted's time

BY MALCOLM RUTHERFORD

Downing Street Diary: The Macmillan Years 1957-63 by Sir Harold Evans. Hodder and Stoughton. £9.95. 318 pages

Tory revisionists—of whom Mrs. Thatcher is a prime example—believe that the Macmillan period is when the rot set in. Far from seeing his stewardship at No. 10 as the end of a relatively golden age, they present it as the direct forerunner of Wilson, Heath, Wilson again, then Callaghan. It has been left to the New Conservatism to clear up the mess.

As the Prime Minister said on television the other day: "In *Harold Macmillan's time* we were worried about inflation of 3-4½ per cent. Then it rose in the '60s. In Ted's time it went up to about 8-9 per cent. The average inflation in the lifetime of the last Labour Government was around 13 per cent. Look, as inflation's gone up, so your unemployment has followed it . . . It is that terrible, vicious thing that I am trying to break through."

This book *could be used to* make the point that the Macmillan period was indeed one of political disintegration. But it also contains snatches of justification. And what is most striking is how, 20 years later, so little has changed.

Harold Evans was the Press Secretary at No 10 throughout Macmillan's premiership. These are his diary jottings. He is basically sympathetic, but at times remarkably detached. It is a sad story that gets sadder as it goes on. From about mid-1960 onwards the theme is one of increasing muddle, though with the inevitable political ups as well as downs.

Some things are different, of course. It is almost unthinkable now that a British Prime Minister should spend six weeks in Africa as Macmillan did in early 1960. The world followed with interest, but Macmillan said *privately that it was just to get* away from London in the middle of winter. In practice, he spent as much time thinking about the threatened railway strike at home as about the wind of change. He also mixed up some of the faces and places. (Evans noted perceptively that Ghana was potentially a Ruritania.) But those were the carefree days.

Macmillan the *poseur*, and *sometimes great statesman*, was not blind to economic problems. Perhaps his most famous remark—about the British people never having had it so good—was immediately taken out of context. He went on: "What is beginning to worry some of us is 'Is it too good to be true?' . . . For, amidst all this prosperity, there is one problem that has troubled us—in one way or another—ever since the war. *It's the problem of rising prices.* Our constant concern today is—can prices be steadied while at the same time we maintain full employment in an expanding economy? Can we control inflation? This is the problem of our time?"

Here he is again talking about the "dear old Treasury, the Balliol of Whitehall. I never quite understood what it was all about." The trouble was its *apparent inability to produce* any convincing long-term policy. He told Evans: "They had Cairncross, who was very good, and Armstrong, who was brilliant, and a few others, but they did not seem to be able to find time to think ahead. They could produce a perfectly adequate short-term policy to cope with an existing situation, but could not put it into a long-term context. And Selwyn, who was a lawyer, *did not seem to have* time to do more than read his briefs." Macmillan cannot have been the last Prime Minister to think that way, even if the names have changed.

Nigel Lawson, the present Financial Secretary, and David Howell, now the Energy Secretary, both of them now revisionists, went to see him one day as journalists. Macmillan talked generalities for over two hours, *frequently coming* back to his own experiences of publishing, housing and Stockton (his first constituency). "Well, there it is," Lawson was heard to say on the way out. "His thinking is rooted in Stockton and *housing. All the rest is* theory." Perhaps it was.

Yet the real oddity about Macmillan was that after winning the general election with a sweeping majority in 1959 domestic policy seemed to peter out. The Labour Party was involved in its own internal battles. It might have been possible, for instance, for the Government to have started on reform of industrial relations. *How much different subsequent* political history might have been if it had! But no thought seems to have been given to the subject.

There were foreign policy successes, to be sure: the partial test ban treaty, in particular, and the more dubious agreement on Polaris. As to why we attached so much importance to having an independent deterrent, Macmillan explained to Evans: "it was not a question of adding to the nuclear armoury against the Russians, but because without it we would be in no position to take an independent line on all the *other issues* in which we became involved around the world." Nearly 20 years later a new Tory Government signed the Trident agreement.

At home, Macmillan's authority began to decline and not *only because of the scandals:* Vassall and Profumo. There were reshuffles and rumours of reshuffles. Reports of the Prime Minister's impending retirement were never far in the background, though the problem was that there was no agreement on the succession. R. A. Butler emerges from this book an even more hesitant figure than usual, and Iain Macleod quite as scheming.

There were quarrels between departments and it was not always clear who was in charge. Evans records at one stage having to "brush up his anti-Foreign Office brief." As usual, apparent policy failures were blamed on inadequate presentation. Angus Maude has just paid the penalty in the present Government.

Minutes into years: Harold Macmillan and his Press Secretary Harold Evans whose diary is reviewed today

At another stage, it was decided to strengthen *No. 10 by* bringing in two new speechwriters and a chief of staff who was to be Enoch Powell. The idea was subsequently reconsidered. Perhaps above all, there was a constant, even obsessive concern with what was being written in the newspapers: "Macmillan to go" or "Macmillan to stay." The Prime Minister boasted that he never *read the Press except for Flook* "in which he had a publishing interest," but it was clear to Evans that he read practically everything.

Some of these things have hardly changed at all. It is said by some Conservatives that Mrs. Thatcher has not used her majority to introduce more radical reform when she can, for instance, of the trades unions. Yet the most striking *similarity*, 20 years on, is in the machinery of government. No. 10 is a very small place. The Prime Minister has a tiny machine. It is easy to become claustrophobic and at odds with other departments. The same calls are going out for better policy co-ordination and for a stronger Prime Minister's Office. No one has yet found the answers.

A Partridge among the branches of a Bloomsbury tree

BY PETER QUENNELL

Memories by Frances Partridge. Victor Gollancz, £9.95, 244 pages

At the age of six, Frances Partridge was taken on a *family pilgrimage to Lamb* House, where Henry James—"a bulky figure looking much like a butler, neatly dressed in sombre black, surmounted by a high white collar and smooth pink face"—swept her up in his arms towards the heavens and, while she dangled her legs "for what seemed a very long time," kissed her and pronounced his benediction, which began, she recollects, "My dear child. . . ."

She has, alas, quite forgotten the rest of the Master's no doubt, eloquent and moving speech; but she well remembers how, a few years afterwards, Roger Fry conducted her and her best friend, *Julia Strachey*, to spend a whole day at the seaside; and how on the journey he explained to them "why it was wicked to like peacock blue" and, as soon as they arrived, "constructed a marvellous sand-castle" that included a

"network of descending paths down which we rolled marbles . . . I thought him one of the most fascinating men I had met, and was flattered and stimulated by his way of talking seriously to children, and listening to their opinions as if they were worth hearing."

So pleasant and so propitious was the background of her childhood. Her father a successful late Pre-Rahpaelite architect, belonged to the Arts and Crafts movement; and all her relations held advanced views. They stood for a Wordsworthian love of Nature, "for eugenics, agnosticism and the march of science," but, at the same time, "for class distinctions courteously observed." *In short*, they were earnest members of the intellectual *haute bourgeoisie* from which would spring the famed Bloomsburian élite, among whom, once she had grown up, Frances was to occupy an extremely interesting position.

She achieved it through the job she had obtained at a small bookshop run by Francis Birrell and David Garnett, a favourite resort of the intelligentsia; and at the shop she encountered Ralph Partridge, at Oxford a distinguished rowing-man, but now a traveller for the newly-founded Hogarth Press, with *whom she gradually fell in love*, and who introduced her to the odd bohemian household that had assembled around Lytton Strachey. Whereas Strachey, a connoisseur of young men, loved the robust and virile Partridge, he was himself passionately loved by Dora Carrington; and Carrington, because she hoped it might consolidate her place in her beloved's world, had agreed to marry Ralph. This strange trio, which, when Ralph's affections turned towards Frances, became a more or less harmonious quartet, studied the arts and cultivated a domestic *douceur de vivre* at *a secluded English mill-house*.

So far, thanks to Michael Holroyd and his busy successors, we are on comparatively familiar ground. We know that Ralph and Frances were at length married, but never gave up their faithful attachment to Lytton; that Lytton expired, and that Carrington, despite Ralph's brotherly care, then almost immediately committed suicide. *Memories*, an engaging but unassuming book, does not enlarge our knowledge of the drama; but it adds a multitude of vivid details, and helps us to understand the origins of the story and some of the ideas and ideals that Bloomsburian society shared.

Their mode of life was by no means epicurean. Comfort and elegance did not play a large part in the houses they inhabited, though they appreciated good French cooking and good wines, and, like Lytton, collected admirable libraries. But what they appear chiefly to have enjoyed was incessant conversation on a vast variety of subjects; *and they talked and* talked, frequently about themselves and their absorbing personal problems. They were also fond of abstract themes. Thus while Carrington was galloping her pony over the downs, Ralph and Frances would spread a coat on the grass amid pink and yellow spring flowers, and happily return to

"a subject we had talked about last night in bed—*modesty about facts, and how* the desire to conceal facts is matched by a contrary impulse to reveal them."

On another occasion (we read) they started,

"*a conversation over our* breakfast about sentimentality . . . I think of it . . . as some form of falsification, whose purpose might be protection against seeing into the dark recesses of one's true motives."

Literary questions, too, always excited their interest:

"I dived into Carlyle . . . Ralph became infected, and Lytton *willingly joined in to discuss* various points, such as: Froude's motives. Was he in love with Carlyle or Mrs. Carlyle, or both? . . . Did Carlyle go to bed with Lady Ashburton? . . . I also read Bertie Russell's *Outlines of Philosophy*, and we had an interesting argument about logic."

Their passion for the truth, natural communicativeness and desire to establish a sense of "mental intimacy" with those they knew and loved best—an idea, to be valuable, *must* be shared—were surely among the greatest virtues of this little group of gifted allies. They might dispute—they had all of them sharp tongues; but they belonged, they felt, to the same family and spoke very much the same language. Frances Partridge is a domestic chronicler rather than a literary historian; but she draws a fascinating picture of the clan, to which she appends some incisive personal portraits.

Virginia Woolf, she admits for example, was apt to be a difficult companion. The novelist's attitude betrayed the sufferings of her mind. She had an

"agonised tautness . . . The way she held herself, turned *her head or smoked* a cigarette struck one as awkward even while it charmed. . . . In Virginia's house there was always electricity in the air, and though enthralled by the display of lightning, few people were at their ease there, or could fail to wonder where the next flash would strike."

Around Virginia and her circle, and the literary legend they engendered, a formidable quantity of nonsense has been piled up, both by English and by American enthusiasts, during the last 10 or 15 years; and the real achievement of the group, I cannot help suspecting, has at times been over-praised. Frances Partridge's book, on the other hand, is an eminently fair and sensible production, an eye-witness's unpretentious account of *the old friends she deeply loved* and valued. If only as a counterbalance to certain earlier volumes, more high-flown but less well-instructed it should perform a very useful service.

Fiction

Make it new

BY ROBERT COTTRELL

Introduction 7: Stories by new writers. Faber & Faber. £4.95. 255 pages

The Second Coming by Walker Percy. Secker and Warburg. £6.95. 360 pages

The White Hotel by D. M. Thomas. Gollancz, £6.95. 240 pages

Consenting Adults, or, The Duchess Will Be Furious by Peter De Vries. Gollancz, £5.95. 221 pages

There is a touch of moral blackmail about the Faber *Introduction* series of stories by new writers. "The Introduction series has now provided a number of well-known writers with a first chance to establish their reputations," notes the publisher, pointing to Ted Hughes, Tom Stoppard and Christopher Hampton.

The remark has the flavour of a dare. Who will criticise these *bijoux* now, only to appear cruel and insensitive 10 years on when they pop up winning Booker prizes and scripting cult television series for an adoring public?

Well, if I may stick my neck out, the only one of the five writers represented in *Introduction 7* to show undeniable talent is the splendidly-named Amanda Hemingway. Her longish short story, "The Alchemist," blends magic and murder into a tale which is genuinely disturbing, the effect owing more to her disciplined writing style than to a *sometimes fragile* plot which calls for a half-mad rich young wife to murder her husband and a bevy of others under the influence of alchemy.

Her fellow debutantes, with the exception of Kazuo Ishiguro, whose tales are distinguished by their slightness, over-reach. Plots so gnomic as to convey the impression that several *pages have accidentally dropped* out during binding, great knobbly sentences which must have needed wrestling down on to the page. J. K. Klavans writes of a dog that "raced through singular blades of grass growling at parasites from all angles in a day tortured by heavy rains which would not come." Steven Kupfer tells us that, "In 1963, just before innocence began its world-wide comeback, I spent half a year in Vienna, making up for the harshness of life with the taste of smoked goose." The characteristic tone of the *Introduction 7* writers is just this suggestion of a translation which has gone slightly off-target.

Walker Percy's *The Second Coming*, and D. M. Thomas's *The White Hotel*, are both dense but rewarding reads. Percy's book deals with the relationship between a rich old slightly epileptic man and a young girl newly sprung from a psychiatric hospital where her mental flues have been swept out with electro-convulsion therapy. It is, therefore, sometimes a little difficult to follow what is going on, but as a rough guide it *seems to owe something* to King Lear in its chronicling of how an aging man tired of ample worldly goods is helped through a bad patch by a truth-uttering innocent. The girl, Allison, is beautifully drawn. I will take Percy's word for it that one can emerge from ECT as a model of spiritual and intellectual purity. The man, Barrett, is less interesting — a light-and-shade version of the bewildered American male in mid-life crisis.

The White Hotel is an extraordinary mixed bag of letters, poetry, fantasy and traditional narrative. It is the story of an opera singer treated by Freud in Vienna and eventually caught up in the holocaust. The recurrent "White Hotel" image is of a safe place, literally a hotel in an early sequence, a *version of heaven in the closing* coda. It is the sort of book which is safely called "interesting." It conveys the sense of being solidly founded in a study of Freud—which is to say that it *is probably best read* with the same preparation.

Taking the technicalities on trust, the fantasies and neuroses, the treatment by Freud, Freud's version of things, Lisa/Anna's recollections and career as a singer are impressively done. Only the penultimate section, where the singer Lisa Anna falls into the clutches of Babi Yar, sits uneasily. Is it decorous to borrow so ghastly a piece of life to bring to a climax a novel of psychological artifice? Thomas writes with

D. M. Thomas: Freudian bel canto story

horrifying clarity, the massacre is integral insofar as Lisa suffers from symptoms which owe as much to the future as to the past. It seems, nonetheless, a little cheap.

Consenting Adults or The Duchess Will be Furious is modern, American, and therefore largely about sex. It is a short, elegantly-written account of the penchants of an over-educated youth *for girls* and women somewhat older and younger than himself. The main object of "Punk" Peacham's attention is Columbine d'Amboise, whose growth from childhood to twenties renders legitimate Peacham's incipient paedophilia, and the two are eventually married.

De Vries writes for the New Yorker and has 19 other books behind him. Unsurprisingly then, his characters are long on wit and philosophy. There are some touching moments, some very funny ones.

Night and day

BY MATTHEW SYMONDS

Echoes From Forgotten Wars by Ronald McKie. Collins, £7.95. 269 pages

Ronald McKie's experiences as a correspondent during the last war have already provided the material for two fairly conventional documentaries. Now he has written a third book about the Second World War, which he describes as a "personal history."

The result is a rather rambling collection of memories, anecdotes, incidents and personalities held together by a chronological thread running from the day Britain and France declared war on Germany to victory celebrations in London six years later.

By far the best part of the book deals with Mr. McKie's recollections of China. When war broke out he was working as a reporter for the Straits Times in Singapore. The management of that newspaper, fearful that the war would cut off supplies of newsprint and ink, promptly terminated the contracts of the Australian journalists on the staff and paid them off. With money in his pocket Mr. McKie set off to freelance in China and Japan.

It is difficult now to imagine the extent of China's degradation towards the end of the "century of humiliation." The writ of the Europeans and Americans who had carved China up in the 19th century no longer ran except for a toe-hold in seething Shanghai. Most of the rest of the country had been siezed by Japan.

For two years since 1937 the Japanese had been engaged in the brutal conquest of Chinese territory which was the prelude to their sweep through South-East Asia towards India. By 1939 they controlled all Manchuria in the far north-east and nearly all China for at least 600 miles *up the Pearl, the Yangtse and* the Yellow Rivers. Chungking, the Japanese war capital was 1,000 miles due west of Shanghai. The democracies lacked both the means and the inclination *to stop the Japanese and* Chiang Kai-Shek's Nationalist troops were more interested in fighting Chinese Communists than the well-equipped Japanese.

With such raw material it *would be difficult* for Mr. McKie to be boring when describing the violence, poverty and corruption of Shanghai, imperial but crumbling Peking and most unforgettably the journey north through Japanese occupied Manchuria to Hsinking where the last Manchu Emperor of China was held prisoner.

The book is worth reading for these reminiscences alone. So few Western correspondents actually reported the Sino-Japanese conflict — doubtless because there was ample drama to record rather closer to home — that it truly is something of a forgotten war and one which as much as the German seizure of the Sudetenland paved the way for a wider conflagration.

By comparison, the bulk of *Echoes From Forgotten Wars*, which deals with the rather more familiar territory of the Burmese campaign and the war in Europe is disappointingly pedestrian.

Reluctance to accept the facts in 1941

BY ZARA STEINER

The Terrible Secret by Walter Laqueur. Weidenfeld and Nicholson. £8.95. 224 pages

The facts are known. There seems to have been no written order in Hitler's hand. The first instructions are found in a letter from Goering to Heydrich dated July 31, 1941. The extermination of the Jews began almost immediately after the invasion of the Soviet Union. The first extermination camp, Chelmno, situated within the borders of Grossdeutschland, became operative on December 8, 1941. Already, between late June and November, 1941, some 500,000 Jews had been killed by the Einsatzgruppen. The news was soon known as the special units acted in close co-operation with the Wehrmacht. After the Wannsee conference, the whole procedure was systematised and extended. By the end of 1942, the terminal date of Mr. Laqueur's short but superbly researched and powerful book, some 4m Jews in Nazi-occupied Europe had been exterminated.

These events were soon known throughout Germany. Though only a few knew all the facts, officers and soldiers civilian employees in the camps and railway officials, journalists and diplomats, all had parts of the story. It was not long before businessmen and diplomats brought the information to the satellite and neutral countries. During the autumn and winter of 1941, stories were reaching officials at the International Red Cross. During 1942, both the IRC and the Vatican knew that the rumours were true. In the winter of 1941-42, from a variety of sources, including their own intelligence services, both the Foreign Office and State Department were collecting pieces of reliable information. Each, in turn, decided on a policy of slow and cautious release; the MOI and the BBC in Britain and the OWI in the United States were instructed to play down the news of the Jewish catastrophe either by omission or by speaking in broad generalities. The Soviet Union was even more loth to make any special reference to the Nazi treatment of its Jewish citizens.

Despite German efforts to mask their proceedings ("final solution," "mobilisation of labour," "resettlement") and the reluctance of Governments, Allied and neutral, to speak, the story was not suppressed. The Daily Telegraph, on July 25 and 30, 1942, was the first British national paper to stress the difference between persecution and extermination. The New York Times solved the problem of authenticity by placing the story in the middle of the newspaper. The expulsions from the Warsaw ghetto began on July 22, 1942, but neither the London Poles nor the British Government paid much attention. The Polish underground did report the news but few could absorb it. Tragically, neither did the Jews in the Warsaw ghetto nor those living in or outside Poland in Occupied Europe. It could not happen. And despite the heart-breaking efforts of some Jewish representatives in Switzerland and in London, the Jewish communities in Britain, in the U.S. and in Palestine did not respond.

Only the appearance of 24 former Palestinian citizens released in one of the few exchanges of prisoners finally convinced the Jewish leaders in Palestine that all the information they had received was true.

This is the crux of Walter Laqueur's tragic inquiry. What kept people from believing what was manifestly true? "Man cannot stare at the sun or at death" (La Rochefoucauld) and certainly not the death in the camps. For those outside, the enormity of the disaster was just too great. There was some deep reluctance to accept such ultimate horror. One can know and not know. And for those not personally concerned there were memories of the atrocity stories of the First World War. Numbers lose their meaning beyond a certain comprehensible limit. As for the Allied leaders, whatever their feelings about the Jews, there was a war to be fought and all wars claim victims. Roosevelt was even less sympathetic than Churchill; the fate of European Jewry was just one more item on a very long list in 1942. A feeling of helplessness compounded the reluctance to accept what was known.

By writing with care and precision and by concentrating only on the years 1941-42, Walter Laqueur forces his readers to consider deeply uncomfortable questions.

HOW TO SPEND IT

by Feona McEwan

Drawings by Clare Brooks, Frank Wheeler and Jan Wheeler. Photographs by Hugh Routledge. Montage by Robin Coles

If you've the heart to celebrate St. Valentine's Day or if you just want the excuse to spread some good old fashioned sentiment around, here are some ideas to endear you to the love in your life.

THE HARD times we live in are the sort of conditions humour thrives on. Laughter brings its own relief and St. Valentine's day, for one, is proving this.

Where once the soft-centred saint used to take himself seriously he now sees the joke. Gone are those sentimental Victorian cards that headed straight for the clouds in a puff of flowery eloquence waxing lyrical over the loved one's heavenly qualities—and very divine they were too. The tendency now is for a gentle sending up of this fondly foolish occasion. Today, you're just as likely to greet the morning's mail with a giggle as a blush. For the fun-and-joke greetings cards are holding their own against the sigh-and-swoon school.

The more unemployment and recession bites the more people seem to want humorous cards for St. Valentine's day, said a spokesman for the Greetings Cards and Calenders' Association, adding comfortingly "though most of the humour is above the navel not below it."

Some 25m cards are expected to change hands in Britain this year. That's a substantial £5m worth of business in the name of love.

It's ironic that all the hullabaloo is in the name of a saint who in fact had nothing to do with it. February 14 just happened to be the day on which the poor fellow met his untimely end. On a happier note, the 14th is said to be an ancient English custom stretching back to pagan times, and marking the day that birds traditionally take their mates.

Few of us could rival Queen Victoria's enthusiasm for the day. She proved herself queen of hearts by sending a hefty 2,500 Valentines during her reign. That's some 40 a year to friends and countrymen.

Whatever your particular taste and style in the matter, there's a myriad different ways of saying the same thing. Hearts as ever are trumps and take on every conceivable form from chocolates and jewels to pizzas and pomanders. No commercial proposition is left untapped, and despite much that's artless tat, there are some special goodies to be found.

The message is the thing and cards are probably most people's first thought. If money is, on this day, no object, consider indulging in an original Victorian Valentine card. Pretty as a picture with their ravishing lacey looks and sugar icing sentiments, they've been known to make grown journalists melt. Fortnum and Mason in Piccadilly, London W1 has a range, see right, mounted on plain board, which being collector's items, could later be framed. There are two sizes, the larger (7 ins by 4½ ins) cost £34.50 and the smaller (3½ ins by 2½ ins) cost £13.80. And, of course, no two are the same.

For a fraction of the cost, you can buy a copy, true in spirit, of an 1860 Valentine card for £1.25 complete with the new St. Valentine 14p stamp issued yesterday for the first time. Find these in the British Library at the British Museum, Bloomsbury, London WC1.

Sweet-toothed lovers could do no better than head for Prestat, 40 South Molton Street, W1 which sells delicious hand-made chocolates with warming messages like "If you touch me, I'll melt" and others. (£2.50 per chocolate plaque). Or there's the chocolate hearts filled with its famous truffles, £3.50. Personal shoppers only, for obvious reasons.

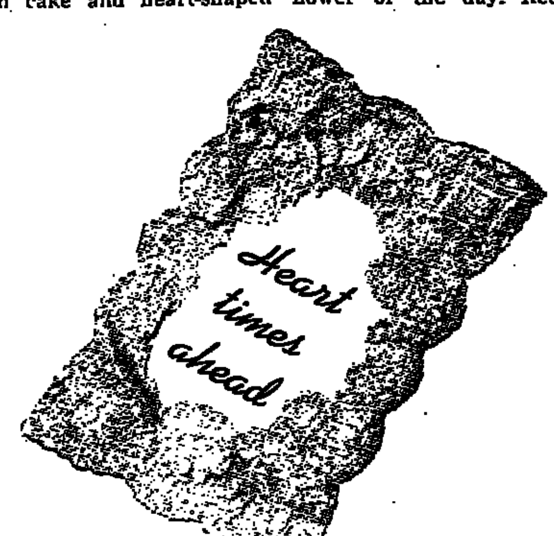
One step more rarified are the champagne-filled chocolate corks packed inside a champagne bottle. If you want to buy it over the counter and save £3 go to Barkers of Kensington. Otherwise order it through Unirose 8 Rabbit Row, London W8, for £15.50 (plus £2.60 p+p). Unirose will post nationwide and deliver to central London but last orders must be in promptly and (for delivery) no later than Friday. (Tel. 01-727 3922).

Harrods combines the food and drink of love in its presentation box of 1973 champagne and aptly-shaped *coeur de neuf chatel* cheese (£12 plus £4.32 first class letter post and packing). Last date for posting orders is Tuesday and for central London delivery, Friday. Remember the store also delivers within a 30-mile radius free though areas are served on a rota basis so check the dates.

There are even cards to eat. Three-dimensional cards containing a chocolate heart cost 95p each from Heal's, Tottenham Court Road, London, W1. And for the gimmicky minded, there's a wind-up sandwich board man toy on whose back and front you pen your thoughts to send across the table. A sort of mechanical *billet doux*. Available from Sylvia's, 25 Beauchamp Place, London, SW3, he costs £7.95 (plus 50p p+p).

If the way to your partner's heart is via the alimentary canal, there's lots to choose from. The Chicago Pizza Pie Factory at 17 Hanover Square, London, W1, and 1 St. Andrew's Terrace, Bartlett Street, Bath is serving its pizzas in predictable shapes at £5.50, "enough to feed two hungry lovers," but orders for takeaway on the day must be placed in advance. Alternatively if you rush in your order before Monday, you can have it posted or delivered (plus £3.75 p+p or the taxi fare). Tel. 01-491 3526.

For romantics who prefer to dine out, Harvey Nichols is laying on a special Valentine breakfast in its Harvey's at the Top restaurant including champagne and heart shaped French toast plus obligatory red rose for the lady £9.95 for two. Or for lunch you can dine on passion cake and heart-shaped sandwiches, £6.65 for two.



The last word in personal presents comes from a company calling itself Hanky Panky which is the maker of a pretty underwear set in white fine lawn cotton decorated with tiny red hearts—though you have to be fairly sure of your partner's measurements to choose this. The bra costs £11.50 and the briefs £9.50 and the set is available in petite, small and medium sizes (which corresponds roughly to 32 ins, 34 ins, and 36 ins) from Harvey Nichols, Knightsbridge, London SW1 plus 75p postage and packing.

Traditionalists may prefer to say it with flowers. Interflora expects a quadrupling of business next week so if you plan a flowery message, order promptly and give your florist ample time, at least 24 hours in advance. You can't expect purple orchids at half an hour's notice. Interflora can also arrange delivery overseas — though you must get the timing right — 133 countries in all from South America to behind the iron curtain. No prizes for guessing the most popular flower of the day. Red roses every time. If you care for an alternative, and live in London or Birmingham the spectacular Mimosa from France which flowers for a magic eight days can be found in leading florists. About £1.50 a branch.

Another flower alternative that evokes times gone by comes from Penhaligon's, 41, Wellington Street, WC2 (tel. 01-836 2150) which has arranged a Victorian Posy scent complete with Victorian posy tied in old fashioned flowers, lace doily and ribbon streamers. One ounce of *eau de toilette* plus posy is £15 (plus from £1.50 delivery in central London).

Everlasting presents that spell it out come in the shape of special 1981 Valentine enamel boxes from Crummles and Halcyon Days carrying messages of "True Love" and "A Rose for my Love" respectively. Both are tiny, round and dusky pink. Crummles' box measures 4.5 cm diameter, costs £21.60 (with natural unpolished mount) or £23.25 (with gilt mount) and is available at Harrods (plus 95p p+p), Thomas Goode, Selfridges, Mappin and Webb in London; Token House of Windsor, Chichester and Cheltenham; Mulberry Hall, York.

To appeal to collectors, Halcyon Days' box is a limited edition, production ceasing at the end of the month. It measures a miniature 1⅝ in diameter and costs £22.50 (plus £1 p+p) from the shop at 14, Brook Street, London, W1 (Tel. 01-499 5784).

Perhaps the most original Valentine idea to cross this desk comes from one Michael Scott, printer and typographer, who has abandoned the commercial urban existence for country pleasures and now specialises in producing delightful hand-worked little books. His *Little Book of Valentine Recipes* teasingly subtitled *A Gallimaufry of Fare for Lovers* and bound in deep fuschia, directs you in the making of *Oeufs a la Coquette*, Mushrooms *a l'Amour* and Melting Moments among others. For my money, its 75p charmingly spent. Find this slim volume in Harrods' paperback bookshop (available by mail, free postage and packing); Basilisk Bookshop, 32 Englands Lane, Hampstead, NW3; Blackhorse Bookshop and Paper Moon of Norwich; Suffolk Bookshop, Bury St. Edmunds; or by mail direct from Michael Scott (postage and packing free) at Blo'Norton Hall, near Diss, Norfolk. Tel. Garboldisham 354.

For the tongue-tied lover, Jilly Cooper comes to the rescue with her highly entertaining book *The British in Love* out in paperback on Thursday (Penguin £1.25). It's a refreshing look at romantic love through the souls of writers from D. H. Lawrence to Nancy Mitford, John Donne to Roger McGough.

It just remains to wish everyone everything they wish for themselves next Saturday. Have a lovely day.

ABOVE: presents that say it all. From left to right—cleverly packaged Love Soap in poppy red, £1.99 (plus 20p p+p) from Sylvia's, 25 Beauchamp Place, SW3.

●

If time is on your side, jewellery is always a winner, and antique shops and markets are fruitful hunting grounds. This selection from Grays Antique Market, Grays Mews, London W1, ranges from £175 for the Victorian enamel pearl heart locket (centre) from Diana, to £12 for the tiny heart pierced earrings (also centre), with chains at about £38, from L'Exposition.

●

Drink to love with this heart patterned mug £2.15 (plus 75p p+p) from Peter Knight of Esher, Surrey, and Beaconsfield, Bucks.

●

Bake a sweet heart—8 ins heart cake tin £3.53 (plus 32p p+p); coeur a la creme mould £1.28 (27 p + p); copper heart mould £4.86 (plus 27p p+p); from Covent Garden Kitchen Supplies, 3 North Row, WC2, and Elizabeth David, 46 Bourne Street, SW1. Boots also sells an 8 ins heart-shaped tin for £1.25 at larger branches.

●

Soft soap your valentine with a tin of three midget heart-shaped Rose soaps—though I've reservations about the fragrance—in pretty tin £1.50 (plus 35p p+p) or an individual ¼ oz soap packed in pillar box red tin for 50p (plus 18p p+p). Both from Peter Knight of Esher and Beaconsfield.

We've had the walking tea set, here's the walking love mug, coloured in purply pinks £5.95 (plus £2 p+p) from Heal's, Tottenham Court Road, London W1.

●

Sensuous satin manicure set (6 ins by 5 ins) in deep purple and black tied with ribbons, illustrated open and closed, £14.85 (plus 85p p + p) by mail from Janet Reger, 12 New Bond Street, London W1, or buy it from 2 Beauchamp Place, SW3. Also comes in red, rose, white and champagne colourways.

●

In front of manicure set, tea for two comes prettily with this breakfast plate and cup set by Gien of France (only one shown here) called Les Amoreux in delicate pink and blue. £26.50 (plus £2 p+p) from Heal's, Tottenham Court Road, W1.

●

The ultimate love mug, allowing half a cup each, comes from Italy with tulip motif, £18.50 from Dickins and Jones, Regent Street, W1. A smaller version, 2¼ ins tall, with a heart motif is £10.95, from D. H. Evans, Oxford Street, W1.

●

Heart-shaped keyring in red enamel and gilt, £8 (plus £1.50 p+p) from Gucci, 27 Old Bond Street, London W1.

●

Personalised cosmetic bag in smart navy with red piping, 6 ins by 9 ins, £5.15 (to include initial, heart and postage) from Eximious, 12a Maddox Street, W1. Credit card orders accepted. Tel. 01-629 3152.

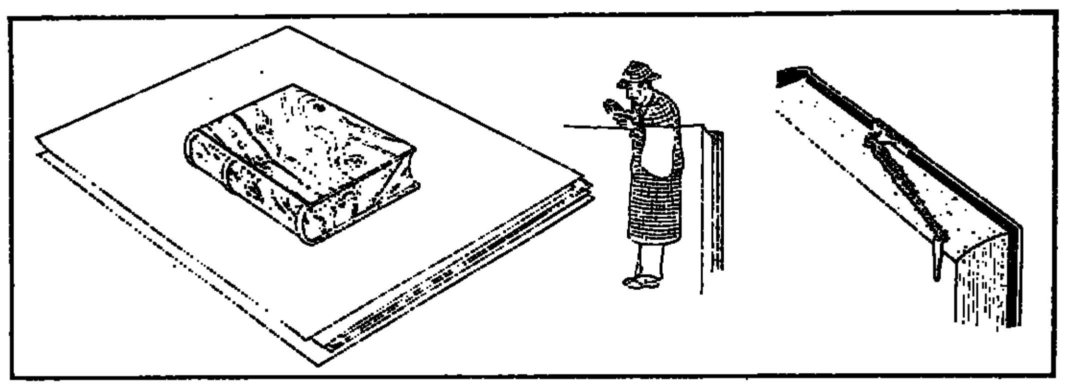
●

Finally, send bags of love with this empty cotton Love Bag, wittily packaged, £2.20 (plus 35p p+p) from Peter Knight of Esher and Beaconsfield.

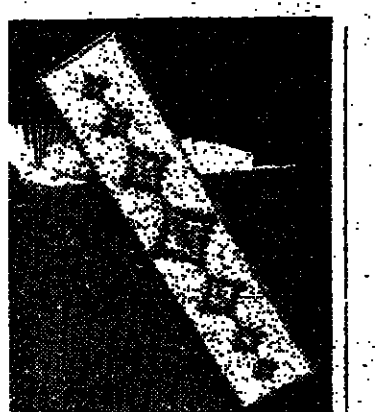
Lucia van der Post is on holiday

ON THE premise that anyone who scours these pages is a reader we've rounded up some bookish ideas in the way of accessories to keep you reading along the right lines.

Read all about it



Frank Wheeler



MARKING the pages of a book can be a hazardous business. You either disfigure the book and threaten the peace of the household, or you lose the place altogether. So we hunted high and low for some appealing solutions. Right: Cut a dash with this sterling silver wafer, which slips neatly over the page. As well as the heart (a good Valentine present?) there's an oval and a diamond. They each measure just 1¼ inches across and for no extra charge you can have them initialled (one only). Available for £5.95 (plus 30p p + p) from Jewellery in Mayfair, 117 Regent Street, London W1. Credit cards accepted. Tel. 01-734 0086.

Above left: When is a book not a book? Answer, when it's a paperweight, as shown here. Compulsively tactile, these solid hand carved weights come in a variety of woods from African blackwood to blonde maple and in different sizes. Prices range from £27 to £50. The maple weight, illustrated, measures 5 inches by 3¼ inches and costs £31. A 2½ inch by 3½ inch blackwood version costs £23. Available to order plus £1.50 postage and packing from Walton Street Stationery Company, 97 Walton Street, London SW3.

●

Above centre: Perhaps the bookmark for thriller readers would be this sleuthlike shape of Sherlock Holmes. Made in a sliver of silver plate it costs £2.99 (plus 46p p + p) from Barkers of Kensington, London W8. Churchill, Shakespeare and Mr. Pickwick are also available.

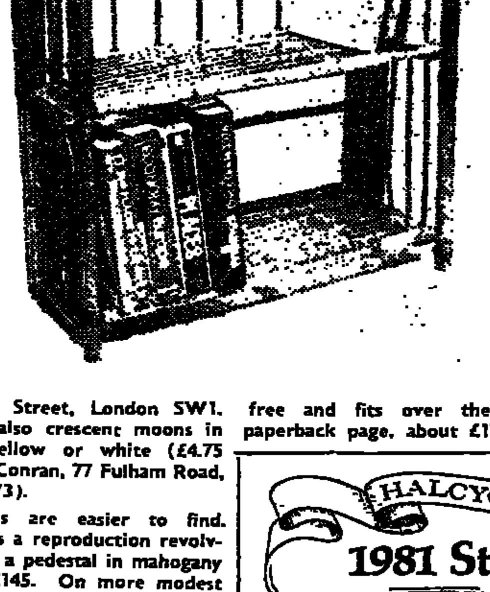
●

Above right: A delightful little bookmark comes in the form of a solid silver miniature book (not visible) with an arm which snaps across the apopinted place, so marking it. Buy it either plain for £31.50 or engine turned for £35 (both plus 50p p + p) from Asprey, 166 New Bond Street, London W1.

SEW-IT-YOURSELF tapestry bookmark, 8 inches long, comes in kit form complete with Paterna Persian yarn, canvas, backing material, needle and instructions. Choose the bargello design in either coral, blue or green on cream. It costs £2.25 inclusive of postage and packing from Needle-Art House, Albion Mills, Westgate, Wakefield, Yorkshire.

Photographs by Hugh Routledge.

HUNTING for bookends is like searching for the blue whale. Few people, it seems, use them though what they do with those odd spare corners and spare shelf tops, I don't know. The most interesting examples we found come from the States in silhouette shapes like the palm tree, above left, in beige green or white (£8.30 plus £2.30 p + p) from General Trading Company, 144 Sloane Street, London SW1. There are also crescent moons in sunshine yellow or white (£4.75 each from Conran, 77 Fulham Road, London SW3).



Bookcases are easier to find. Liberty sells a reproduction revolving case on a pedestal in mahogany finish for £145. On more modest level there's the pine Smarti range from Finland in Heal's Tottenham Court Road, W1 (2-tiered shelf measuring 106 x 29 x 55cm costs £37.95). For £25 you can buy a folding 3-shelf bookshelf in pine veneer, 28 inches wide from Home Decorating departments at larger John Lewis Partnership branches and from the same place single shelves in solid pine or mahogany from £9.95 for 2 foot long size. The pretty bamboo shelf, above, folds flat, measures 20 x 20 x 9 inches high and costs £11.26 (plus £2.50 p + p) from Cucina, 8 England's Lane, NW3.

A useful aid for older eyes especially is a magnifying glass. Good optical aids can be found at most good opticians in a range of sizes. Combined Optical Industries makes a sturdy hand held glass, 10cm by 7cm, which is distortion free and fits over the average paperback page, about £12.50.

IF you've ever tried to cook and read a recipe at the same time you'll know why book rests are an excellent idea. This one above is metal and costs £1.10 (plus 42p p + p) at Cucina, 8 Englands Lane, London, NW3. There's also a moulded acrylic cook book holder, behind which you place the book, available for £5.95 (plus £2.45 p + p) from General Trading Company, 144 Sloane Street, London, SW1.

ARTS

Quis custodiet

BY B. A. YOUNG

"One of the things a Vice-Chancellor has to do is to go out and talk to his colleagues, to the unions, to the students." This was Lord Annan, in *Running a University* on Radio 3 last Tuesday. Unions yet! And not just the National Union of Students but the Association of University Teachers, who have ensured that in most universities a lecturer, after a probationary three years, will get a contract guaranteeing him employment until he is 65, as if he were a docker. ("I am one of the dockers of Bloomsbury," Noel said—Lord Annan, that is, but if he refers to the late Mr. Anthony Crosland as Tony, I assume we're all on Christian-name terms.)

His talk was as interesting as it was entertaining. I was myself never at university, or as we used to say in my time, "the" university. It hadn't occurred to me that if you appoint as Head of Department someone who is selfish and neglectful, or inarticulate, or controversial, or careless, or worn-out, you couldn't get rid of him (or her). If, as Noel pointed out, there are to be one-third fewer adolescents in our country in ten years than there are now, a lot of intellectuals will be getting money for nothing—unless, of course, the number of overseas students continues to rise as it is rising now, no matter how much we put their fees up. Perhaps this is the real future of our universities.

On Radio 3, there was Dr. Edward Norman in a monthly programme called *What Books I Please*. Dr. Norman talked on Graham Greene's *The Lawless Roads*, which deals with the persecution of the Roman Catholic church in Mexico—a somewhat unprofitable campaign, it seems, for the Mexicans appear to be as Catholic as ever.

I can't get away from the Russian intellectuals. Having made up my mind to hear the Monday play on Radio 4, I found myself involved with Allen Berrie's *The Lift*, described as a "political tragedy" set in an apartment block for Soviet writers.

The writers, whom we first met in Moscow in 1924, were delighted by the new freedoms the Revolution had given them, none more so than Boris Brodski, returning from abroad and self-consciously calling everyone "comrade" to show how good a Communist, how loyal a member of the All-Russian Association of Proletarian Writers, he was. As time went by, splits developed in the Association: one comrade played the Charleston on his gramophone, another prated of the "new literature;" and in due time rumours began to spread about radical changes in the Kremlin, meaning that Stalin was about to oust Trotsky.

So loyalties develop to one side or another. Brodski quarrels with his old friend Gorki. Those that back the wrong side are taken away by the GPU and never heard of again. Bukharin (whose book *The ABC of Communism* taught me most of what I know of that ideology) warns Brodski he is barking up the wrong tree. Mayakovsky shoots himself. And of course ultimately Brodski, who stands for what is good in literature rather than what is politically acceptable (Socialist Realism, as soon as Zhdanov has said so), joins his mates with the GPU.

The eponymous lift signals the arrival of the midnight police, and should have an increasingly frightening effect each time it's heard. Actually the director (Richard Wortley) underplayed it rather, and its sound wasn't sinister enough below the endless chatter of those All-Russian Proletarians.

And having found myself willy-nilly back in Mother Russia, a few last words about Dostoevsky, whose final appearance, apart from a few instalments of *The Eternal Husband*, was made on Monday in *Dream of a Ridiculous Man*. Ronald Pickup read this curious tale about a man who, on the verge of suicide, falls asleep and dreams that he sees a world before the Fall, "inhabited by people who had not sinned," and duly corrupts them. He was accompanied for some reason by some attractive music for string sextet by Nigel Osborne. Radio producers (this one was Judith Bumpus) have an obsession with incidental music. Even *The Eternal Husband* has a little obbligato for cor anglais. I'm not really against it, particularly when it's as pretty as Mr. Osborne's; but I do think it ought to fulfil a more evident dramatic function. If we'd had some distant howls from Rent-a-mob for Lord Annan, for instance, when he was talking about the Association of University Teachers, that would have made a real point.

Nature, and human nature

BY WILLIAM PACKER

The Royal Academy once more has a full complement of exhibitions upon its walls, and whilst, on the main floor, A New Spirit in Painting still constitutes the principal lure to the curious, no matter whether he is for it or against, there are now quieter and more historical pleasures to seduce the visitor up the stairs to the Fine Rooms and on and up to the Diploma Galleries, to restimulate, refresh or perhaps even to soothe his ruffled sensibility.

But Honoré Daumier was no shrinking violet himself, and his work is strong stuff. Indeed, filling the Fine Rooms (as it does until March 15) it supplies the perfect foil to this New Spirit, quite as assertive and *engagé*, and wonderfully free, radical and adventurous in its graphic expression. It looks after itself wonderfully well.

Dr. Armand Hammer made available his collection of Daumier, and this show takes conspicuous advantage of his generosity by drawing the mass of the show from it. By far the greater number of the works are the lithographic works by which Daumier achieved his contemporary reputation and by which he is still best remembered, the social and political satires, wry, affectionate, angry and unforgiving by turns. They were the fruit of his association with Charles Philipon, who at first used his work in his weekly Le Caricature (suppressed 1835), and whose Charivari gave Daumier a platform throughout his life.

To catch the full sense of Daumier's political commentary, and to appreciate its daring, we do need to dust down our knowledge of the France of Louis-Philippe and of Louis Napoleon, of the Revolution of 1848, of the Commune of 1871 and of the Third Republic, under which final dispensation Daumier died in 1879. And though we may feel that Politics might change, but Politicians never, it is natural that Daumier's social observations should be infinitely more accessible, universal and timeless in their wit and humane understanding. The jokes are very good, with human vanity and pretention, and the vagaries of fashion, at the heart of the best of them; and he reserves some of his sharpest barbs for his own profession of the arts, for the arrogance and ambition of the artist, and the pomposities and sillinesses of the connoisseur. Everything is carried off beautifully, and with quite as much finesse as confidence.

The trouble with steel reinforced petticoats, when the spring breaks. Daumier, 1857.

But there are rather more than the lithographs, for the show is pointed by a number of drawings and paintings, and works in other graphic media. And there is besides a most extraordinary group of small bronze busts, fiercely contemptuous grotesques that the young Daumier made of the leading Deputies of the thirties, Louis-Philippe's sycophants and placemen. A little later comes Ratapoil, the skinny and as thinly disguised figure of the second Napoleon, posturing ludicrously on the brink of his Imperial adventures. The exhibition is a surprise and a delight.

Meanwhile, upstairs in the Diploma Galleries (also until March 15), is Painting from Nature, a most beguiling selection by Messrs Gowing, Conisbee, Gere and Robinson, of plein air oil sketches of the seventeenth to the nineteenth century; and so quite a treat is it, that it might all too easily be drowned by the excitements below. Indeed it is so undemonstrative that it takes a little time to get its measure; from which moment pure pleasure. We must thank the Guinness Peat Group, and the Arts Council, for bringing it to us.

Turner is of course the star, the distant view of Windsor Castle a particular favourite, and Constable too, and Linnell and Bonington, all most choicely represented. But the treats come with the surprises: a lovely Théodore Rousseau; Lord Leighton with some small Italian studies; a delicious pair of contrasted views of Monte Cavo, sunshine and cloud, by de Valenciennes; and Thomas Jones in Naples and Rome in the mid-eighteenth century.

The work of them all is shot through with simplicity, modesty, and the irrepressible urge just to sit down and study in the most direct and practical whatever was there.

Contemporary Music Network tour for jazz saxophonist

Nine of Britain's leading jazz musicians led by saxist Don Rendell, will be starting an 11-concert tour at the Round House, London tomorrow, with a programme that includes Rendell's suite, *Earth Music*.

The band goes on to visit Warwick University Arts Centre, Coventry (February 9), Solent Suite, Southampton (February 10), Frazer Hall Norwich (February [illegible]), [illegible] Playhouse (February 15), York Arts Centre (February 17), Brewery Arts Centre, Kendal (February 18), Strathallan Hotel, Hagley Road, Birmingham (February 19), Leeds Playhouse (February 20).

The first half of each concert features Don Rendell's current quintet comprising Rendell (tenor / soprano / clarinet / flute), Stan Robinson (tenor/alto/clarinet/flute), Pete Saberton (piano), Paul Bridge (bass) and Trevor Tomkins (drums).

Rosmersholm

BY MICHAEL COVENEY

Ibsen's *Rosmersholm* is the respectable intellectual's version of Daphne Du Maurier's *Rebecca*. The dead wife haunts the present and the family house is a leading character. At the Royal Exchange, Manchester, Casper Wrede's ponderous and unimaginative production is the sort of show to turn audiences against Ibsen for life. He can take credit only for seeing that the renegade pastor, John Rosmer, and the platonic friend, Rebecca West, should be played by attractive people for whom passion is still a distinct possibility.

You could not invent players more good-looking than Christopher Gable and Celia Gregory. But the play is about a good deal more than owning up to lust. It is about people at a certain historical crossroads standing up for themselves in public. John and Rebecca are advocates of emancipation, free thought (misinterpreted, of course, as free love) and the nurturing of a responsible public opinion. The triangular format is completed by the upright schoolmaster, Kroll (Jeffry Wickham), who thinks the time has come for fighting the moral rot and entering the public arena.

Michael Meyer's translation polarises (and cheapens) the public debate by referring to the competitive newspapers as the Morning Star and the County Telegraph. The Star editor (Miles Anderson) is himself seen as a hypocrite prepared to print only what suits him. And the struggle to live by ideals is put into poignant if, in this case, largely incomprehensible context by the drunk old tutor Ulrik Brendel (Espen Skjonberg, a sort of Nordic Donald Pleasence with vowel trouble).

Christopher Gable starts frozen in shadows and becomes more boringly rigid as the evening progresses. This is an emotionally narrow and vocally impoverished performance that can provide nothing for the great moment in the last act where Rebecca declares her passion. Celia Gregory is beautiful beyond words but seems to be accommodating Mr. Gable by rattling through the lines at breakneck speed for fear of having to stop and actually act some of what she is saying. The last moments are as tediously intoned as the rest of the play and offer no real justification for the consuming love-pact as the couple throw themselves, after Rosmer's first wife, into the mill-race.

The Italian connection

To tell the truth, this Connection—the fourth of the New Macnaghten Concerts' five European Connections—seemed no less tenuous than the last, and still more bitty. February's instalment chased, without notable success, an elusive link with Messiaen. On Thursday at the Wigmore Hall the ensemble Lontano (a British group: no connection there) proffered in passing two genuinely Italian tidbits, but for the rest an egregiously un-Italian meal that extended to Kurt Weill, late Peter Maxwell Davies, and a new work by Vic Hoyland (a pupil-of-a-pupil-of-Berio).

The genuine *antipasto* was Berio's own early, uncharacteristic (and really not deeply interesting) Spanish settings for soprano, mezzo and ensemble called *El Mar la Mar*; and the finale was Petrassi's *Grand Septuor* — wonderfully inventive, civilised, articulate, deftly imagined music that lacks, nonetheless, any kind of powerful driving force or inner light: sparkling, but dry as dust.

Bernard Rands (a Berio pupil and the real Italian Connection) was represented by his *Déjà* (French title, Australian commission): a little pool of lamplight for four instruments and percussion. Kurt Weill's "Surabaya Johnny," in Berio's faithful arrangement for Cathy Berberian (the ultimate Italo-Germano-Armenian Connection?), was shrilly sung by Mary King, and conducted, almost unbelievably, *tempo giusto*: Weill in Baroque drag. It was inexplicable, but hardly surprising, to find the first of Peter Maxwell Davies's *Four Instrumental Motets*—little "recompositions" dating from the 1970s of early Scottish originals—delicately parachuted into these proceedings. Haggis, packed and processed, is after all available in Italy: so why not Scottish motets?

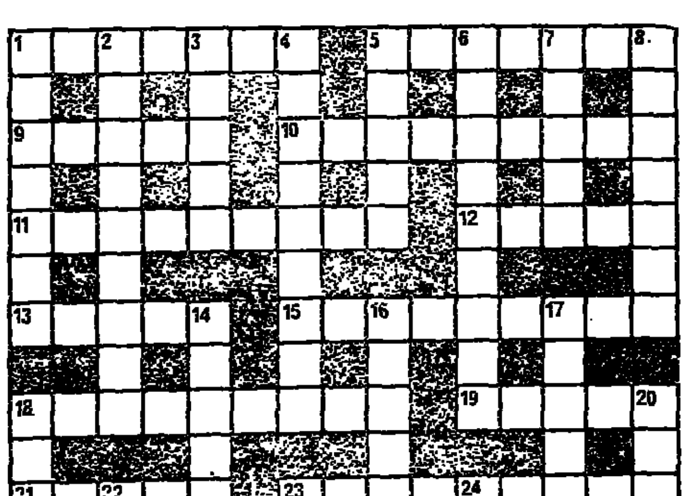
DOMINIC GILL

F.T. CROSSWORD PUZZLE No. 4,489

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



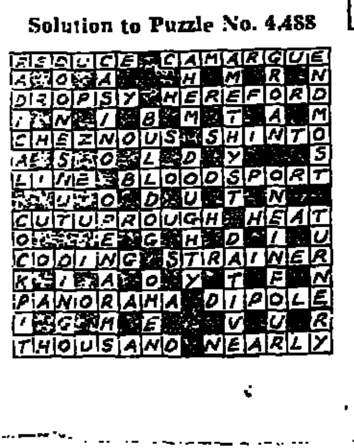
ACROSS

1 Garment that painters put on (3-4)
5 Faint ticket for re-admission (7)
9 Crinkle a type of fabric (5)
10 Drawing everything honestly (3, 6)
11 Evasive at home because soldiers are following (9)
12 Abridge part of novel I delivered (5)
13 Grow up without direction and leave school (5)
15 Predicament in a cramped place (5, 4)
18 Mark the rhythm of musical composition and watch (9)
19 Organised church and farm (5)
21 Sodium salt belonging to the beak? (5)
23 Drink and dance that boxers use for exercise (5-4)
25 Dress mother to take part in a long rambling discourse (9)
26 Plan the French must follow for timber (5)
27 Dull and worthless animal in grass (7)
28 Hang us in waste (7)

DOWN

1 Type of stitch sailors employ (7)
2 Squeeze space wherein journalists work (5-4)
3 Poem about a concert-hall (5)
4 Wood the Scottish intend to make into a kitchen boiler (3-6)
5 Beating peas and beans etc. (7)
6 Set aside search in bishop's office. Right? (9)
7 Took a picture containing an animal (5)
8 Theatre is upset on that account (7)
14 Having minute protuberances and needing a tablet in the head (9)
16 New prices for golfers (5, 4)
17 Long for fruit from a tree and fruit that isn't (9)
18 Smack and strike a Chinese toy (7)
20 Weapon for putting herd around a pound (7)
22 Sense it could be a great deal (5)
23 Pleased to be arrogant (5)
24 Rich soil has a strong unpleasant smell to you and me (5)

Solution to Puzzle No. 4,488



SOLUTION AND WINNERS OF PUZZLE No. 4,483

Mr. N. J. Dixon, 43 Breton, Stony Stratford, Milton Keynes, Bucks.

Miss E. Ilsley, 20 Kelynmead Road, Kitts Green, Birmingham B33 8HL.

Ms. C. McOwan, 13 Douglas Street, Stirling, FK8 1NT, Scotland.

TV/Radio

BBC 1

† Indicates programme in black and white

9.05 am Horseback. 9.30 Multi-Coloured Swap Shop. 12.12 pm Weather.
12.15 Grandstand: Football Focus (12.20): Racing from Wetherby (12.50, 1.20, 1.50): Motor Racing: The South African Grand Prix (1.10, 2.10); World Cup Ski-ing (1.40); Rugby Union from Murrayfield: Scotland v Wales (2.20) and at 4.00 Ireland v France from Dublin; 4.40 Final Score.
5.10 Doctor Who.
5.35 News.
5.45-5.50 Sport/Regional News.
5.50 The Dukes Of Hazzard.
6.35 Jim'll Fix It.
7.10 Nanny.
8.05 The Dick Emery Show.
8.40 News and Sport.
8.55 Dallas.
9.45 Parkinson.
10.45 The Saturday Film: "Sex and the Single Girl," starring Tony Curtis, Natalie Wood, Henry Fonda and Lauren Bacall.

All Regions as BBC-1 except as follows:

BBC Cymru/Wales—5.45-5.50 pm Sports News Wales. 12.35 am News and Weather for Wales.

Scotland—4.55-5.10 pm Scoreboard (1). 5.45-5.50 Scoreboard (2). 12.35 am News and Weather for Scotland.

Northern Ireland—2.55-4.40 pm (opt-out from Grandstand) Rugby Union; 2.55 Ireland v France and 4.25 Scotland v Wales (recorded highlights). 5.0-5.10 Scoreboard. 5.45-5.50 Northern Ireland News. 12.35 am News and Weather for Northern Ireland.

England—5.45-5.50 pm (South-West only) Saturday Spotlight.

BBC 2

10.10 am-12.15 pm Open University.
†2.20 Saturday Cinema: (1) "That Certain Woman," starring Bette Davis and Henry Fonda.
3.50 Play Away.
†4.20 Saturday Cinema: (2) "The Old Maid," starring Bette Davis.
5.50 Did You See . . ?
6.25 South African Grand Prix.
6.55 News and Sport.
7.10 "Faust," opera by Charles Gounod (Simultaneous broadcast in conjunction with Radio 3).
9.50 Sons and Lovers.
10.45 The Old Grey Whistle Test.
11.25 News On 2.
†11.30 The Outer Limits.

LONDON

8.35 am Sesame Street. 9.35 Chopper Squad. 10.30 Tiswas
12.30 pm World of Sport: 12.35 On The Ball; 1.00 International Sports Special (Part 1) World Cup Skiing; 1.15 News; 1.20 pm The ITV Seven from Sandown and Stratford; 3.10 International Sports Special (Part 2) Swimming from Amersfoort, Holland, plus Basketball; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.
5.05 Punchlines!
5.35 News.
5.40 Buck Rogers In The 25th Century.
6.35 3-2-1.
7.35 "The Golden Gate Murders," starring David Janssen and Susannah York (TV Movie).
9.15 The Professionals.
10.15 News.
10.30 The Big Match.
11.30 Mary O'Hara.
12.25 am The Electric Theatre Show.
12.55 Close: Personal choice with Sir Neil Cameron.

All IBA Regions as London except at the following times:—

ANGLIA

9.20 am Kum Kum. 9.45 The Lost Islands. 10.10 Rocket Robin Hood. 10.30 pm Match of the Week. 11.30 Barney Miller. 12.00 Afloat. 12.30 am At the End of the Day.

ATV MIDLANDS

9.10 am Simply Sewing. 9.35 As Good As New. 10.00 The Fantastic Four. 10.30 pm Star Soccer: Highlights of three top matches including a major first division match from the Midlands. 11.30 Quincy.

BORDER

9.10 am Simply Sewing. 9.35 Babylon. 10.00 Fangface. 7.35 pm Saturday Film. 10.30 Shoot.

CHANNEL

5.44 pm Puffin's Pla(i)ce. 11.30 Quincy.

GRAMPIAN

9.05 am Simply Sewing. 9.35 Sesame Street. 11.30 pm Reflections. 11.35 Baretta.

GRANADA

9.15 am [illegible] 9.40 As Good As New. 10.05 [illegible] 10.30 pm Match Night: [illegible] 11.35 Lou Grant. 12.30 am [illegible]

HTV

9.10 am As Good As New. 9.35 Doctor! 10.00 The Undersea Adventures of Captain Nemo. 10.05 Spiderman. [illegible] 5.39 pm HTV News. 11.30 HTV Report. [illegible]

HTV Cymru/Wales—As HTV West except: 5.05-5.35 pm Sion A Sian.

SCOTTISH

9.10 am Simply Sewing. 9.35 As Good As New. 10.05 The New Fred and Barney Show. 10.30 pm Scotsport. 11.30 Late Call. 11.35 The Stanley Baxter Picture Show—Part III.

SOUTHERN

9.00 am Sesame Street. 10.00 Clapperboard. 10.27 Regional Weather Forecast. 11.30 pm Southern News. 11.35 Lou Grant.

TYNE TEES

9.00 am Saturday Shake Up. 9.05 BJ And The Bear. 9.50 Saturday Shake Up. 9.52 Butch Cassidy. 10.20 Saturday Shake Up. †10.30 Saturday Morning Movie "Windbag the Sailor," starring Will Hay. 12.00 Saturday Shake Up. 5.40 pm North East News. 10.30 Shoot! 11.40 Doctor Down Under. 12.10 am Three's Company.

ULSTER

9.15 am Doctor! 9.40 As Good As New. 10.05 Fangface. 10.25 Sesame Street. 11.25 Larry The Lamb. 11.35 Tarzan. 5.00 pm Sports Results. 5.39 Ulster News. 10.29 Ulster Weather. 11.30 Bedtime.

WESTWARD

9.30 am The Adventures of Niko. 9.55 Look And See. 10.00 Fangface. 10.30 Tiswas. 12.27 pm Westward News. 5.44 Westward News and Scoreline. 11.30 Quincy. 12.25 am Faith For Life. 12.30 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am Simply Sewing. 9.25 Spiderman. 9.40 240-Robert. 10.30 pm The Big Game. Highlights from a top local game plus action from two other big matches.

RADIO 1

5.00 am As Radio 2. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Steve Wright. 1.00 pm Adrian Juste (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Walters' Weekly (S). 5.00 Rock On (S). 6.31-7.30 In Concert (S).

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S). 8.06 David Jacobs presents Star Sounds (S). 10.02 Pete Murray's Saturday Show (S). 12.02 pm The Magic of . . . Stanley Black (S). 1.02 A Very Private Man. 1.30 Sport on 2: South African Grand Prix (1.30, 2.10, 5.25); League Football (1.30, 2.20, 3.00, 3.45, 3.55, 4.40); Rugby Special (1.30, 2.10, 2.40, 3.05, 4.50, 5.25). International Championship: Scotland v. Wales; Ireland v. France; Racing from Sandown (1.30, 1.55, 2.25); 5.00 Sports Report including 5.00 Classified Football Results. 5.45 Classified Racing and Football Results. 6.03 [illegible] 7.02 Beat The Record. 7.30 Big Band Special (S). 8.02 Saturday Night is Gala Night (S). 10.02 The Mitchell Minstrels (S). 10.30 Band Parade with The Bill McGuffie Big Band (S). 11.02 Sports Desk. 11.10 The Late Show including 12.00 News. 2.02-5.00 am You And The Night And The Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Bandstand (S). 11.45 Diversions (S). [illegible] 1.00 pm News. 1.05 [illegible] (S). 2.00 Play it Again (S). 3.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 [illegible] (S). 7.10 "Faust," opera [illegible] (Simultaneous broadcast with BBC2). [illegible] 11.00 News. [illegible]

VHF Only—Open University—6.55-7.55 am.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.30 Yours Faithfully. 6.55 Weather, programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather, programme news. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick Of The Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 The News Quiz (S). 12.55 Weather, programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife. 2.30 The Good Soldier Svejk by Jaroslav Hasek (S). 3.25 Prefaces to Shakespeare: Anna Calder-Marshall on "The Winter's Tale." 3.55 Tales From The Dark Continent. 4.40 Profile. 5.00 Alternative Medicine. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather, programme news. 6.00 News. 6.15 Desert Island Discs with Mary O'Hara (S). 6.55 Stop The Week with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Edinburgh Festival Writers (Anthony Burges talks to Frank Delaney). 11.00 Lighten Our Darkness. 11.15 Instant Sunshine And . . . (S). 11.45 The Armchair Traveller. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, weather, traffic, sport. 8.15 Weekend What's On. 8.30 Bob Powel's London Country. 10.03 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 2.00 pm Time Off. 3.00-6.00 am Join Radio 2.

London Broadcasting

7.00 am AM—Des Fahy. 10.00 Jellybone. 12.00 LBC Reports. 1.00 pm Sportswatch. 6.00 LBC Reports. 7.00 Geet Mala. 8.00 Network. 9.00 The London interview. 10.00 Nightline. 1.00 am Night Extra. 4.00 Hayes on Sunday. 4.30 Decision Makers. 5.00 Morning Music.

Capital Radio

6.00 am John Sachs's Breakfast Show. 9.00 Countdown with Peter Young. 12.00 Dave Cash's Cash Country. 2.00 pm Duncan Johnson's Afternoon Delight. 5.00 Greg Edwards's Soul Spectrum. 8.00 Nicky Horne's Six of the Best. 11.00 David Rodigan's Roots Rockers. 1.00 am Richard Allinson's After Midnight. 4.00 The Collection (classical music).

TV RATINGS w/e Feb. 1

UK TOP TWENTY (viewers m)

1	This Is Your Life (Thms.)	18.70
2	Coronation St. (Wed.) (Gran.)	18.05
3	Coronation St. (Mon.) (Gran.)	17.75
4	Crossroads (Wed.) (ATV)	16.75
5	Crossroads (Tues.) (ATV)	15.55
6	The Gaffer (Yorks.)	15.50
7	Family Fortunes (ATV)	15.20
8	Wildlife On One (BBC)	14.55
9	That's Life (BBC)	14.55
10	Wish You Were Here? (Thms.)	14.40
11	Dallas (BBC)	14.10
12	Partners (BBC)	14.10
13	Solo (BBC)	14.00
14	Nanny (BBC)	13.90
15	Shelley (Thms.)	13.85
16	Name But The Brave (BBC)	13.70
17	Jim'll Fix It (BBC)	13.60
18	Starburst (ATV)	13.40
19	The Professionals (LWT)	13.30
20	Holiday (BBC)	12.95

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

U.S. TOP TEN (Nielsen ratings)

1	Dallas (drama) (CBS)	35.0
2	60 Minutes (news) (CBS)	[illegible]
3	Dukes of Hazzard (comedy) (CBS)	[illegible]
4	Love Boat (comedy) (ABC)	[illegible]
5	M.A.S.H. (comedy) (CBS)	[illegible]
6	[illegible] (comedy) (CBS)	[illegible]
7	Jeffersons (comedy) (CBS)	[illegible]
8	One Day at a Time (CBS)	[illegible]
9	Three's Company (ABC)	[illegible]
10	NBC Tuesday Night Movie (NBC)	22.4

CHESS SOLUTIONS

Solution to Position No. 357

1 R-N7, Q-R1; 2 R(1)-Q7, QxB; 3 RxB ch, K-R1; 4 R-R7 ch, K-N1; 5 R(N7)-N7 ch, K-B1; 6 R-B7 ch, K-K1 (K-N1; 7 N-K7 mate); 7 N-Q6 ch, K-Q1; 8 R-Q7 mate. An effective demonstration of the power of doubled rooks on the seventh.

Solution to Problem No. 357

1 Q-R2. If 1 ... K-B6; 2 Q-K2, or if K-R4; 2 Q-B5, or if K-R5; 2 B-K6.

COLLECTING

Creative tension and craftsmen

BY JUNE FIELD

So it comes that when a little group of men learn to pull together in a workshop, to trust each others' limitations, their combination becomes creative, and the character that they develope in themselves, takes expression in the work of their fingers. Humanity and Craftsmanship are inseparable.

C. R. Ashbee: *Modern English Silverwork*, 1909.

MOVING FROM the city's smoke to live and work in the country, deriving satisfaction from the arts of building and handicrafts, while communing with nature, is something magical that unfortunately doesn't always endure.

For Ernest Gimson (1864-1919), Ernest Barnsley (1863-1926), and his younger brother Sidney Barnsley (1865-1926), it worked. From 1893, inspired by the Arts and Crafts Society, and William Morris and his philosophy of making useful and *beautiful* things, they lived and worked for 25 years at Pinbury Park and Sapperton in the Cotswolds.

The two overcame their inexperience of rural life by importing one of Gimson's farm cousins, Lucy Morley, who eventually married Sidney Barnsley. A letter from the latter to architect Philip Webb in 1901 reveals the men's contentment with their environment: "The gardens are looking most beautiful now after the rains, with roses in masses, hanging over grey stone walls and climbing up in the cottages . . ."

Although trained as architects, Gimson and the Barnsleys gradually became involved with furniture designs and the revival of traditional crafts, and the manner of their life is beautifully documented in Mary Comino's *Gimson and the Barnsleys — "Wonderful furniture of a commonplace kind"* (Evans, £13.50).

The book's title evolves from "The Lesser Arts of Life," a lecture in 1882 given by William Morris to the Society for the Protection of Ancient Buildings (known popularly as "Anti-Scrape" from the custom of scraping off all weathering so as to leave the stones smooth): "So say our furniture should be good citizen's furniture, solid and well made in workmanship. . . ."

Cheltenham Art Gallery and Museum held the first major exhibition of the Barnsleys in 1976; they have been collecting material since the 1930s, and in addition to furniture, hold all the surviving working drawings by Sidney Barnsley and Ernest Gimson.

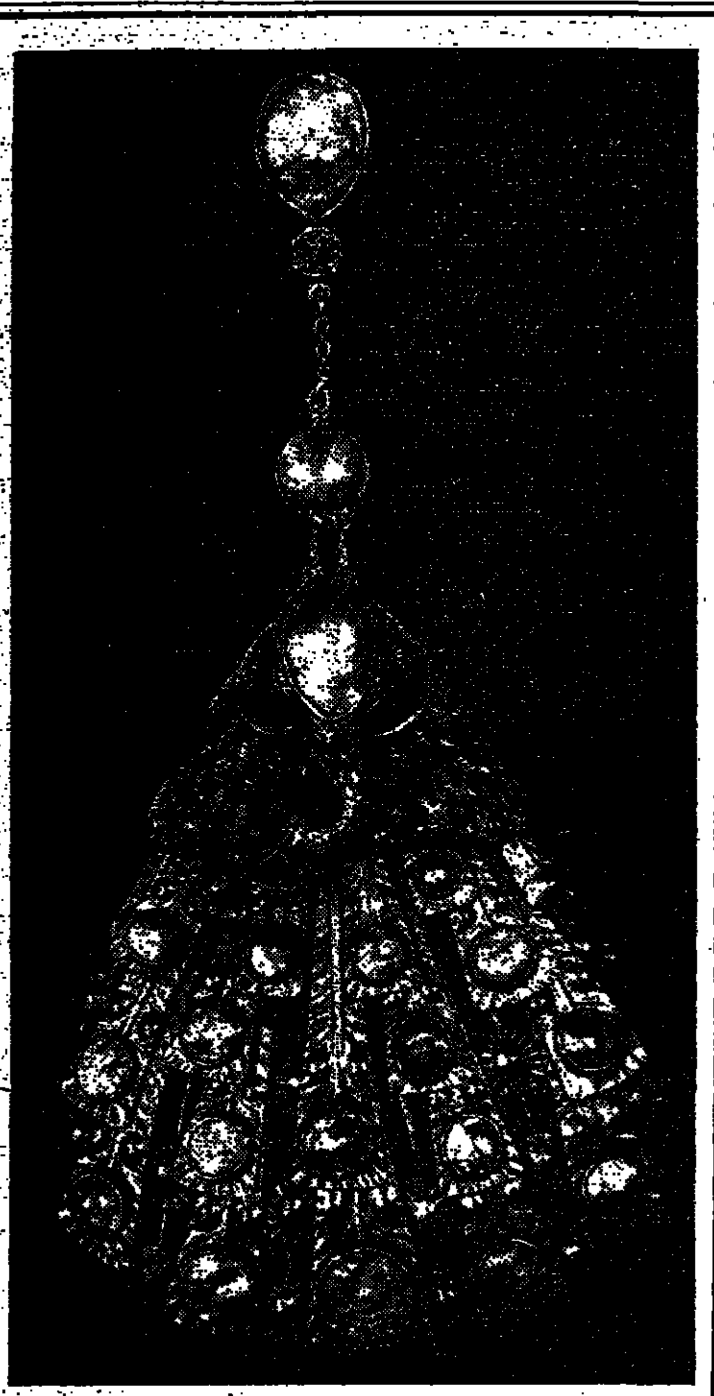
"C. R. Ashbee and the Guild of Handicraft" is Cheltenham Art Gallery and Museum's latest exhibition organised by deputy director Mary Comino, now Mrs. Greensted; on until February 28, and opening at the Mappin Art Gallery, Sheffield (March 14 to April 26) and The Fine Art Society, London, May 4-20.

Country conditions did not work quite so well for architect, designer, silversmith and jeweller Charles Robert Ashbee (1863-1942), who took his Guild of Handicraft to the small *Cotswold town of Chipping* Camden in 1902, leaving defeated some five years later.

Fiona MacCarthy's delightful new book, *The Simple Life — C. R. Ashbee in the Cotswolds* (Lund Humphries £7.95), traces in immensely readable fashion not so much the actual guild productions, but the "creative recreation, pleasures which improved community relations; leisure which was inextricably linked with life," of what she calls the "cockneys in Arcadia."

Ashbee and his contemporaries, which included Gimson and the Barnsleys, are woven into a charmingly human story, and the two publications complement each other, although their time-stretch is slightly different. Mary Comino appropriately sums up the era: "The arrival in the Cotswolds of Gimson and the Barnsleys brought a new awareness to the area . . . (but) that of C. R. Ashbee and the Guild of Handicraft . . . involving nearly 150 people, was much greater on the existing community."

"His furniture needs to be seen and touched, photographs never convey the quality of the wood and workmanship," rightly insists Contessa Karin Antonini, referring to the work of Sidney Barnsley's son, Edward Barnsley, 81 today.



Peacock brooch in silver and gold, set with pearls and diamonds, designed by C. R. Ashbee. Displayed in the exhibition "C. R. Ashbee and the Guild of Handicraft."

Edward Barnsley has been in his Froxfield, Hampshire, workshop since 1923 (after working for a while with his father in the Cotswolds), and has designed around 1,500 unique, individual pieces of furniture for such varied clients as the House of Lords, the King of Siam, the Jewish Scroll room on SS Queen Elizabeth in 1939, and the Archbishop's chair, stool and kneeler for Canterbury Cathedral in 1971. Some 6,000 pieces have been made to his designs by craftsmen in his workship, and to raise funds to finance apprenticeships and save the artist-craftsman tradition of the workshop, The Edward Barnsley Educational Trust was set up last year with a target of £200,000.

Details about the Barnsley Trust from Contessa Antonini, The Bee House, Froxfield, Petersfield, Hants: Mary Comino's *Gimson and the Barnsleys* book, £14.75, and *C. R. Ashbee and the Guild of Handicraft* exhibition catalogue, £2.80, both including postage, from Mr. David Addison, director, Art Gallery and Museum, 40 Clarence Street, Cheltenham, Gloucestershire: C. R. Ashbee's *Modern English Silverwork* 1909, reprinted 1974 by B. Weinneb, 94, Great Russell Street, London WC1, £25 plus £1.50 postage.

More than a brass farthing

COINS

JAMES MACKAY

A QUARTER of a century has elapsed since the farthing, smallest of the coins circulating in the UK, was last minted. Long regarded as a nuisance, and confined virtually to minor transactions in bakeries, the farthing had disappeared from practical circulation long before it was demonetised in 1960. Even the bakeries, which were so punctilious in giving them as change for a loaf of bread or a bag of buns, were remarkably reluctant to take them back and the customer inevitably ended up with a tin or jar full. They could, of course, be used as play money, and many a numismatist of the present day owes his youthful start in the hobby to just such an accumulation of the tiny coppers.

The farthing has a surprising antiquity, stretching back a thousand years and more to the time when the Anglo-Saxons had only one denomination, the silver penny, to satisfy all commercial and business purposes. This coin was designed with a cross on the reverse, not so much out of Christian piety as to provide the customer with a convenient guideline to cutting the coin into halves and quarters. The earliest farthings were, quite literally, "fourthings" or quarter bits of silver.

The practice of splitting pennies continued for centuries, but cannot have been very satisfactory since it was impossible to cut up such a small coin precisely. To Edward I in 1280 goes the credit for minting farthings specifically for use as small change. They were struck in silver and resembled the penny, with the king's bust on one side and the cross on the other, but were a quarter of the weight. Silver farthings were minted sporadically for 270 years, but in times of inflation, or the all too frequent periods in which the better quality sterling coins drained out of the country and their place was taken by inferior Continental imitations, the farthing was always the first casualty.

In some reigns they never appeared at all. At other times they were generally minted in much smaller quantities than the corresponding halfpence and pennies and tend to be much more expensive today. Ironically, the most plentiful farthings are those minted in the inaugural issue exactly 700 years ago, and examples in average condition may still be picked up for around £50. By contrast the more elusive issues from the Hundred Years War and the Wars of the Roses can cost four or five times as much, while the last issues, made by Henry VIII and Edward VI, are so rare that it would be impossible to put a value on them.

Farthings disappeared entirely from the English coinage for 60 years. When they were resurrected, in 1613, they were not only struck in base metal (a copper alloy) but considered so far beneath the royal dignity as to be farmed out to private enterprise. Despite their regal appearance, with the king's titles round the edge and crowns on both sides, these coins were unpopular because of their association with the private monopoly system. The patent did nobody any good; it was sold by the original contractor, Lord Harington, to the Duke of Lennox and Richmond, whose widow struck farthings under Charles I before selling her franchise to Lord Maltravers. Thereafter the patent changed hands several times at a loss and was finally revoked by Parliament in 1644. The copper and brass farthings (whose worthlessness was to become proverbial) are quite plentiful and range from £10 to £30 in average condition.

During the Commonwealth numerous traders took the law into their own hands and issued farthing tokens which circulated locally. The government was slow to take action to remedy the deficiency of a subsidiary coinage and it was not until 1672 that copper farthings were struck for general circulation, this time by royal authority. This issue, showing Charles II in Roman armour, and his mistress the Duchess of Richmond posing as Britannia, was preceded by a number of patterns, in copper and silver, produced in 1665. These patterns are scarce, but no fewer than seven variations of them are featured in Sotheby's sale of British coins on February 18. The majority of these patterns are now in the price range from £50 to £100. Also in the same sale is a fine group of Harington, Richmond and Maltravers farthings and an untrimmed strip of eight Richmond farthings which sheds an interesting light on the manner in which these coins were produced. Although the strip has been split into two halves it is exceedingly rare and is expected to fetch up to £2,000.

For the collector of more modest means, however, there is plenty of scope among the base metal regal farthings. To assist the Cornish tin-mining industry the later issues of Charles II and those of James II were struck in tin but because of the unstable nature of this metal farthings are difficult to find in good condition. Copper was again used in the reign of William and Mary. Under Queen Anne farthings were only regularly struck in 1714 and their elusiveness gave rise to the popular fallacy that they were of immense rarity and value. Today a fine specimen would fetch about £200, and one is included in the forthcoming sale, along with patterns of 1713-14. The copper farthing was minted infrequently during the reigns of the first three Georges, but none of these coins is hard to find or likely to cost more than a few pounds. Copper farthings were minted in most years of Victoria's reign up to 1860, but only the last date is rare. Thereafter farthings were struck in bronze and reduced in size, in every year till 1956, except 1870-71 — a record equalled by few other coins. Apart from the elusive dates 1863 and 1875 none of these farthings should present much difficulty to the patient collector.

Korchnoi is not complaining

CHESS

LEONARD BARDEN

AT THIS time of year, numbers are the name of the world chess game. Grandmasters, IMs and experts look up their new International Chess Federation (FIDE) ratings, while journalists from many countries vote for the annual chess "Oscar" award.

The FIDE ranking list is the creation of Professor Arpad Elo of Wisconsin, and uses a statistical method to assess major tournament results. Some 2,500 men and women from nearly 100 countries have FIDE ratings, which Elo has extrapolated backwards to calculate the relative performances of past champions.

The list figures are arbitrary and start at 2,200 for men, with playing strengths of 2,450 upwards for grandmasters and 2,600 for world title candidates. Karpov is again top in the 1981 list, but he has surprisingly dropped from 2,725 (the highest rating ever apart from Fischer).

Korchnoi is down a sizeable 45 points at 2,650, but the two names on the upgrade are Kasparov (aged 17) at 2,625 in sixth place and Belyavsky at 2,620 in seventh. Tony Miles's results at Baden and the Malta olympiad have knocked him below his autumn peak, but at 2,590 he is still in the top 20.

Other British ratings are Nunn 2,575, Speelman 2,535, and Stean 2,505; while 15-year-old Nigel Short, who plays his next BBC2 Master Game match on your screen on Wednesday evening, has risen an impressive 80 points from 2,360 to 2,440.

Apart from measuring international performance, FIDE ratings are used to decide qualifying scores for the GM and IM titles. This year they will also settle how many players qualify for the world title interzonals, where because of the English advance West Europe will have four places instead of the previous two.

This important development offers the chance for Britain to be represented in the later stages of the individual world championship not only by Miles and Nunn, who are proven at the highest level, but perhaps also by Short. I hope the BCF will find a sponsor to host the West European zonal in October-November this year.

Competing in the zonals, interzonals, and candidates while still aged 14-18, helped Spassky and Fischer to become world champions and Short deserves the same opportunity.

As for Tony Miles, the question is how far the Oscar placings, due this week, will reflect his stream of 1980 tournament victories. I have voted for Karpov, Kasparov, Korchnoi, Miles and Belyavsky as the Oscar top five, with Nunn also in the top dozen. Others have placed Miles still higher, and the British No. 1 began his 1981 campaign at Wijk by outplaying Ulf Andersson who had just won at Hastings.

White: A. J. Miles (England). Black: U. Andersson (Sweden). Queen's Indian Defence (Wijk aan Zee, 1981).

1 P-Q4, N-KB3; 2 P-QB4, P-K3; 3 N-KB3, P-QN3; 4 N-B3, B-N5; 5 Q-B2, B-N2; 6 P-QR3, BxN ch; 7 QxB, P-Q3; 8 P-K3, QN-Q2; 9 P-QN4, O-O; 10 B-N2.

10...Q-K2; 11 B-K2, N-K5; 12 Q-B2, P-KB4; 13 O-O, QN-B3.

Here 13...N-N4 still looks better; instead Black's queen and rook become bogged down in a mirage of a king's side attack.

14 QR-Q1, QR-K1; 15 N-Q2, NxN; 16 QxN, N-K5; 17 Q-B1, R-B3; 18 P-B3, N-N4; 19 P-B5, R-R3; 20 P-B6!

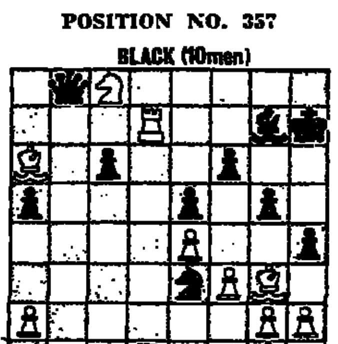
The usual plan in such positions is to open a queen's side file for the rooks, but Miles plans to run Black's bishop out of squares.

20...B-B1; 21 B-Q3, Q-B2; 22 P-K4, P-B5; 23 P-K5, PxP; 24 PxP, R-B1; 25 R-Q2, R-R5; 26 Q-B2, Q-R4; 27 P-R3, N-B2.

28 R-K1, Q-N4; 29 K-B1, R-R4; 30 R(2)-Q1, Q-N6; 31 Q-B2, Q-R7; 32 P-N5, R-Q1; 33 B-B4, RxR; 34 RxR, Black lost on time. There were seven moves to go to the control. White has no direct threats, but can open another file with his QRP while Black's B stays a passenger.

POSITION NO. 357

BLACK (10men)

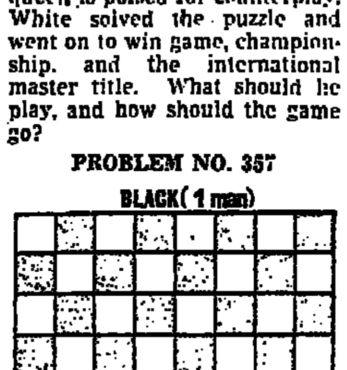


WHITE (11men)

Akesson (Sweden) v Strzelecki (Poland), European junior championship 1980-81. The material balance of two rooks and bishop against queen and pawn favours White (to move)—but both his bishop and rook are attacked, while Black's queen is poised for counterplay. White solved the puzzle and went on to win game, championship, and the international master title. What should he play, and how should the game go?

PROBLEM NO. 357

BLACK (1 man)



WHITE (6 men)

White mates in two moves, against any defence (by A. Feoktisov).

Solutions Page 14

Justice flees

BRIDGE

E. P. C. COTTER

THERE IS GREAT satisfaction in bidding the grand slam and making 13 tricks, whether it be in tournament play or at rubber bridge. Here is a deal, from a recent team-of-four match in which I was involved:

N
♠ A Q 8 7 5
♥ 8 7 6
♦ A Q J
♣ 10 2

W
♠ 10 4
♥ 9 3
♦ 9 8 7 4 2
♣ J 8 6 5

E
♠ J 9 6 2
♥ 10
♦ K 10 5 3
♣ K 9 7 3

S
♠ K 3
♥ A K Q J 5 4 2
♦ 6
♣ A Q 4

With both sides vulnerable, my partner dealt in the South seat and opened the bidding with two hearts, to which I replied with two spades. South now said four hearts, a rebid of the highest importance. A jump bid in an already forcing situation—I had given a positive response to his opening bid—announces a solid suit, and sets the trumps. I bid five diamonds, South said five spades, and I jumped to seven hearts.

West led the nine of diamonds, and South had to decide on his course of action. He had 12 tricks on top, and a successful finesse in either minor suit would provide the 13th. However, to set up an extra trick in spades, assuming that they broke no worse than 4-2, was a better proposition than any finesse.

Winning trick one with dummy's Ace, the declarer cashed the heart Ace, and when East's ten dropped, his entry to dummy in trumps was secure. Drawing the last trump, he cashed three top spades, ruffed a spade, and the contract was safely delivered.

Justice has fled the earth! In the other room our opponents reached seven no trumps, an inferior contract. Against the same diamond opening lead, the declarer won with the Ace, and then ran his hearts. The spades did not break, but East became the victim of a "show-up" squeeze. There was no swing, but if the club King had been with West, we would have gained 20 IMPS on the deal.

In the next hand from rubber bridge last month 13 tricks were again made, but with a slight difference:

N
♠ 9 7 4
♥ 10 2
♦ 9 4
♣ J 9 8 7 6 2

W
♠ A K 10 5 2
♥ A K J 5
♦ A K 5
♣ 4

E
♠ Q 8 6
♥ 9 6 4 3
♦ Q J 10 3
♣ 10 5

S
♠ J 3
♥ Q 8 7
♦ 8 7 6 2
♣ A K Q 3

With East-West vulnerable, South dealt and bid one no trump, West doubled, and this was followed by three passes. West started off with the spade King, on which East dropped the eight, then cashed the heart King before continuing with a low spade to his partner's Queen. East, who had played the heart four on West's King, returned the three, enabling West to run off three more spades and three hearts. The declarer's hand had been cut to ribbons, and the defence took the last four diamonds to defeat the contract by seven tricks—a penalty of 1,300 points.

South must have been insane to bid one no trump on such rubbish, and North was equally insane not to rescue into two clubs.

Ah! yes, say the supporters of South's opening bid, but don't you see that South saved the opponents' small slam, worth 1,430?

I agree that East-West could have made 12 tricks in spades, but *the important question is—would they have bid it?*

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000
Saturday February 7 1981

The question of sterling

THE ADOPTION of floating exchange rates just under ten years ago was supposed to liberate domestic policies from their old balance-of-payments shackles and abolish exchange rate rises; but for the last week the financial world has been preoccupied with little but exchange rates. The continued rise of the dollar and the decline of the D-mark are having widespread repercussions, undermining the gold market and placing great strains on the European monetary system. Sterling, in the middle, has been stable, but its level is now causing admitted worry to the Government.

Theory

It is the apparently perverse behaviour of the exchange markets which is causing such widespread anxiety. Originally it was supposed that the operations of a free market would tend to equalise "real" exchange rates — offsetting inflation in ill-managed countries, rewarding those better managed with a strong currency; and initially experience seemed to bear this out. A whole theory of international monetarism was built up relating exchange rate movements to domestic monetary policy, and had a wide influence with investors.

More recently, however, practice seems to have stood this theory on its head among the major currencies. The countries with the most obstinate inflation problems, the U.S. and the UK, have strong currencies; the internally-stable D-mark is weak, while the yen has gyrated widly.

The reason seems to be that the market in the major currencies—those widely held by international investors—is now dominated by the vast international flows associated with the build-up of OPEC surpluses. These capital flows are highly sensitive to interest rates. As a result, governments which need high interest rates to address their domestic inflation problems attract heavy investment inflows.

This is highly effective as a check on inflation itself, since it exposes markets to intensified import competition: indeed, the operation of such a system might in the long run eliminate the differences in inflation rates which cause real strains, just as the operation of the EMS, with official rather than Arab intervention, is tending to drive inflation rates towards the average for all members. However, the process has some agonising transitional costs.

Germany and other previously stable countries strongly resent importing inflation via the exchange market. While dealers complain that a weak government makes for a weak currency, German ministers can reasonably answer that the unpleasant choices imposed through exchange rate weakness are helping to undermine the coalition.

In Britain, Mrs. Thatcher seems to thrive on unpleasant choices; but it has at length been borne in on her, too, that the unchecked operation of market forces in this field can have unacceptable consequences. Ministers have been searching anxiously for signs of economic revival (though like passengers in a lift, they cannot distinguish the sensation of a slowing fall from that of an accelerating rise): but the evidence is increasingly against them. Near bankruptcies and redundancies dominate the industrial news.

A shop steward in Seddon Atkinson, which is cutting its labour force by half, put the problem concisely and tragically: "We have done everything Mrs. Thatcher could have wished, yet we find ourselves in this position." Or as the Prime Minister herself admitted the sheer pace in the rise in the real exchange rate has swamped the most energetic efforts to adapt.

Correction

Her new stance aroused hopes of an immediate cut in interest rates, but in fact her televised admission of concern was enough to produce quite a sharp correction in the exchange rate. The Government can afford then to wait for the banking figures next week for evidence that, as the money market already suggests, domestic conditions permit a cut. This would be consistent with Mrs. Thatcher's remarks. A more discreditable possibility is that the Chancellor wants to hoard the good news for Budget day; if he makes a habit of this, *every Budget will be marked by* speculative fever.

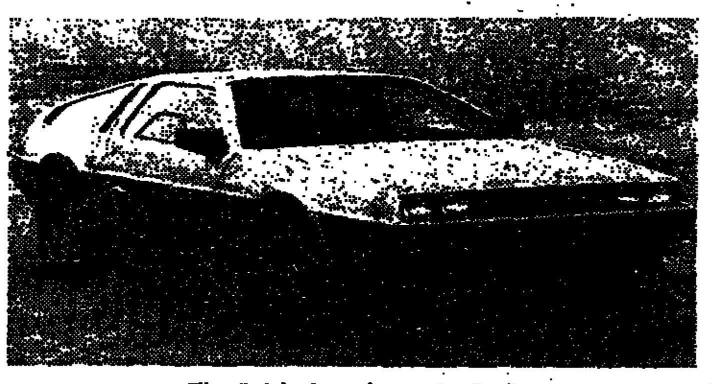
At the moment, both foreign and domestic requirements *point to lower interest rates*: but in the longer term there are *likely to be dilemmas*, and so the authorities are also beginning to explore ways in which they could influence the exchange rate by direct action, rather than as a reflection of domestic policies.

Broadly there are two possibilities: to confront market forces, or simply to nudge them. Determined stabilisation would probably require the support of a wider group; hence the renewed interest from the Governor of the Bank of England in the EMS. Influence short of stabilisation might involve such measures as inward exchange controls, limitations *on the marketability of British* investments, or a policy of active *mobilisation of official* capital through the exchange *markets—all of which happen* to be heartily disliked in Threadneedle Street. Here, as with internal monetary reform, investors can expect to hear much talk before there is a hint of action.

THE DE LOREAN PROJECT

The wizard's spell loses some of its magic

By John Griffiths



The finished product—the De Lorean sports car left—and chassis assembly at the Belfast plant

ON PAPER, the Belfast sports car venture inspired by former General Motors vice-president John De Lorean —and backed by a total £70.26m of UK Government funds—will run out of cash by the end of this month.

Not surprisingly, there is no *shortage of sceptics querying* the viability of the project—the building of a brand new plant to produce an exotic, 120-mph, rear-engined sports car, the brainchild of the tall, leonine —and no less exotic—Mr. De Lorean.

John De Lorean, now 54, has had a well-cultivated whizz-kid image for a long time. A fast lifestyle, three well-publicised marriages and a refusal to blend into the corporate background in the end were enough to divorce him from the GM boardroom and launch him towards his personal sports car dream.

In the past three years, to the whizz-kid mythology has been added that of wizard: by what other means could Mr. De Lorean have managed to talk the UK Government into backing his project in 45 days flat —and several hundred hard-bitten U.S. car dealers into committing themselves to a project where not only the cars themselves did not exist, but neither did the plant to make them?

In the past few days, it has appeared that the spell has been broken. But in practice, the prospects of De Lorean actually running into a cash crisis are remote.

De Lorean is now waiting to hear whether the Government will underwrite £10m in loans from one U.S. and one UK bank, to cover a cash shortfall on the Belfast plant's start-up operations which, Mr. De Lorean concedes, *will reach* £8½m in April.

If the Government does not play ball—and all the indications are that it will, on the basis that De Lorean is now in production and that plugging the last gap until revenue starts flowing is justified—there exists a contingency arrangement. Under it, a third U.S. bank stands ready to advance the funds against inventory.

In short, Mr. De Lorean indicated this week, there is no major problem: cash from sales to dealers will start coming in within three months and the entire, immensely ambitious project will be over the hump: "We'll be in the black by this year's third quarter and operating profitably from there on in."

But it is clear that some of *the sheen* has come off De Lorean's glamorous, stainless *steel-bodied two seater*, at least for the Northern Ireland *government officials who negotiated*, and have since been monitoring the *agreement* which then-Northern Ireland Secretary Roy Mason signed with De Lorean in July 1978.

Under that, the Northern Ireland Development Agency (NIDA) took a £17.757m equity stake in De Lorean Motor Cars, the Belfast manufacturing subsidiary which NIDA now owns jointly with the parent De Lorean Motor Company of the U.S. At the same time, the Northern Ireland Department of Commerce pledged £16½m in loans and £22m in grants—the latter partly contingent on De Lorean meeting employment targets (2,000 jobs on full production of 30,000 cars a year).

Together with the roughly $30m pumped in from other sources—about $8m from 350 U.S. dealers each taking a $25,000 equity stake in De Lorean Motor Company, $18.7m from the U.S. investors in De *Lorean* Research Partnership which holds the rights to the *car and $4m from Mr. De Lorean* himself—De Lorean at the *beginning of last year* was declaring it had enough in the *kitty to take the project through* to production.

But in the months following, accelerating inflation and technical problems threw the project out of gear: in March, De Lorean was forecasting a $41.9m shortfall by the end of 1980.

The result was that by the *summer*, De Lorean had lodged a plea for more funds with the *British Government. It received* in September, under an infla*tion escalator clause, £14m*—described both by the Govern*ment and in De Lorean's* statutory filings to the U.S. Securities and Exchange Commission (SEC) as a loan.

By some trimming of its sails, De Larean on December 17 submitted a budget to the Belfast company's board—on which two NIDA members sit —*for its new financial year* starting December 1 forecasting *a cash deficit of only £760,000* by this coming April. By *January 5, that figure had shot* to £4.6m; the following day, it was raised to £5.7m. *Mr. De* Lorean insists his latest, £8½m. figure is the peak of the mountain.

But if the Northern Ireland officials found this swift escalation of the forecast deficit disconcerting, they had already been thrown off balance by the arrival of two submissions from De Lorean's New York headquarters in mid-December.

The first said that at least *half of the £14m top-up should* have been a grant; the second *claimed that NIDA owed De* Lorean an extra £8m under the *original agreement*.

Its line of argument was that *since the original aid—excluding NIDA's equity—had been over 50 per cent grant*, the £14m should be treated in the same *fashion*.

The £8m, it claimed, is owed because *at the time of the* original agreement a group of U.S. *investors had planned to* put in $20m but had withdrawn *when it was learned that the* project was going to Belfast.

NIDA, says De Lorean, was asked to make up that sum—in

> ❛ I just pray to God that they (the UK government) spend their North Sea oil revenue intelligently, instead of continuing to pour money into subsidising businesses that are losers from day one.❜
>
> *Mr. John Zachary De Lorean, on Radio 4, July 15, 1979*

return for which it was to receive royalties of £195 on each of the first 90,000 cars and £45 per car thereafter until 10 years after the signing of the original agreement. Although the U.S. *group eventually did invest*, the agreement with NIDA was left *to stand, with De Lorean being* able to draw on NIDA's £8m at need.

Mr. De Lorean told the meeting on December 17 that if the cash was not forthcoming, De Lorean would place the royalties an escrow account until its claim was proved justified or not. Alternatively, NIDA could hand over its *equity, on the basis* that De Lorean would be buying it back *with the unpaid £8m and the* £7m-plus it felt it was entitled *to from the £14m*. In that case, NIDA would lose its royalties.

Northern Ireland officials were not, therefore, in the best *frame of mind when the request* to underwrite the latest bank *loans landed on their desks on* January 21.

The Northern Ireland agencies are strongly contesting the *De Lorean claims*. Apart from the filings to the SEC showing De Lorean itself referring to the £14m as a loan, the same submissions state that the royalties are "additional interest" in consideration for making the financial arrange*ments for the original £56.3m*. There is no reference to a con*sideration of £8m*.

This week, Mr. De Lorean himself denied that there had been any real threat to withhold the royalties. He said De Lorean was seeking only to clarify its understanding of its entitlements in order to fulfil its legal obligations to the SEC before making a public offer in the U.S. this summer to raise $20m to fund the saloon car planned for 1983 and an engineering centre adjacent to the Belfast plant which could *employ a further* 700 people.

And another senior De Lorean *executive indicated on Thursday* that the company has no *wish for a confrontation, declaring* that arrangements for *royalty payments were proceeding* and that "there is no way *we want to pick a fight with the* Government."

Within the next few days—and with £68.9m spent on the *project* as of *December* 31—it should be known whether the *loan guarantee will be given*.

According to Mr. Joe Daly, the former Chrysler Europe finance director who now wears the same hat at the Belfast company, that undertaking really will mark th watershed for Government aid. "For the first time, we are actually operational—we have moved out of the realm of forecasts. There will be no more slippage."

Mr. Daly states categorically that 450 cars will be shipped to the U.S. in March, and 698 in April ready for the U.S.-wide dealer launch in May. From that point, he stresses, the flow between company and Government will be *reversed*: the Government would almost imme*diately* start receiving the royalty cheques. By year-end the *Government would be paid* back some £2.4m on the 12,000 cars to be *delivered this year*.

There is a two-year moratorium on the start of repayment of Department of Commerce loans; until mid-January 1983.

The latest shortfall, says Mr. Daly, arises from an extra three months' production delays which were not foreseen at the time of drawing up the case for last September's £14m.

The reasons for those delays are numerous—a host of, in many cases minor, technical hitches with both car and production process.

Together with earlier development problems, they have meant that the cars are going on sale seven months late—months in which the *predicted cash flow* has not emerged, and which has seen De Lorean's *overheads* mount rapidly as stocks of parts have flowed in and the workforce mushroomed. There are now *900 workers at the plant*, and De Lorean's weekly wage bill is running at more than £160,000.

Mr. De Lorean, defending the current position, points out that "General Motors itself was eight months late with its X-car. That delay cost $3bn. We have had no more than the usual teething troubles for any new car, let alone an entirely new project."

But it is clear that Mr. De Lorean *made* a substantial rod for his own back in declaring at the outset that the project could be brought into commercial production in less than 20 months from the first breaking of ground at the West Belfast site.

That De Lorean has now gone into production, even seven months behind target, remains a formidable achievement.

In two years and two months, what was a 72-acre field with two rivers running through it, wedged between the high unemployment catholic area of Twinbrook and the Protestant Lisburn Road, has been transformed into one of the most advanced assembly plants in Europe.

This week, five cars a day could be seen coming off the line, scheduled to rise to 30 a day by the end of this month, and 20,000 a year in August.

On the basis of a detailed examination of the facilities in opeartion last week De Lorean's ability to produce the cars no longer seems in doubt.

The principal question now is: will the cars sell, at least at the 30,000 a year volume planned for the two-seater.

De Lorean has been facing mounting problem with the projected selling price: in mid-19[…] it was less than $20,000. Now with sterling standing nearly […] per cent higher than when the project was conceived that look[s] like being $25,000 or slightly more.

FUNDS FOR DE LOREAN PROJECT	
NIDA equity	£17.75[…]
Dept. of Commerce loans	£16.5[…]
Dept. of Commerce grants	£2[…]
UK Government loan	£1[…]
UK total	[illegible]
U.S. dealers' equity	$[…]
De Lorean Research Partnership equity	$18.[…]
Mr. De Lorean's equity	$[…]
U.S. total	$30[…]

De Lorean believes the changes in the U.S. market in the last year will cancel much of the problem. The a[…] large car revolution now taking place, argues De Lorean Motor Company planning vice-president Mr. Bill Haddad, has opened up a new market. Where well-heeled corporation men and industrialists had traditionally underlined their status through vehicles like […] they're public enemy number one." It is these men, argues Haddad, who will be quick alongside the mobile fraternity for the car—and next generation of buyers be the copy-cats, the doctors, dentists."

Only time will prove whether that assessment is right. For the next two years there is no problem: under their contract with De Lorean each of the dealers is committed to take 50-150 cars, whatever the sticker price: 40,000 pre-[…] cars in all.

Letters to the Editor

Employers

From Mr. A. Morris

Sir,—Until employers are able *to instil some proper* industrial discipline by dismissing people *unwilling to work, there* will be no real improvement in *either the attitude to work or* in productivity. It is tragic in *my view, that the Government* should embark on a course of *high unemployment* as a way of bringing realism into the in*dustrial climate*. Certain judicious charges to the employ*ment legislation would have a* far more salutary effect.

It is a *pity that* election pledges to simplify and reduce *the burden of employment* protection legislation have not been *carried out*. The *small* tinkerings to the system have made *little difference*. The cost to employers of going through the *rigorous* procedures and codes laid down is immense. Large *industry also* has, because of the employment legislation, entered into lengthy agreements with the unions, which, in certain industries, effectively give any employee a right of appeal against any management decision intended to discipline that worker in the conduct of his employment.

I do not advocate a capricious free for all, where people could be dismissed at the whim of an employer. It is a profound disappointment, however, that the Government has done so little to redress the balance in favour of common sense in industrial relations.

A. I. Morris.
Philip Conn and Co.,
Brazennose House (West Door),
Brazennose St., Manchester

Davy

From Professor T. Barna.

Sir,—I am glad that Jonathan Aylen (January 27) elaborated the possible consequences on steel plant contracting which a takeover of Davy Corporation by Enserch might have. In my article on process plant contractors (January 27) I did not try to deal with specific detrimental effects which might follow if the proposed merger were to take place. I ought however to mention one point.

Davy has established for itself an important position in the Soviet and East European markets, eg in methanol plant based on ICI licence. American companies on the other hand are handicapped in these markets by political constraints.

In 1979, that is before Afghanistan had an effect on trade, the Soviet Union imported from Organisation for Economic Co-operation and Development countries chemical plant worth Roubles 1.2bn. Of this amount only Roubles 12m came from the United States, compared with Roubles 166m from the UK. It is very possible that Davy under American ownership may lose its Soviet bloc business.

I ought to add that there was an error in my article: Davy is even more important than I suggested. It accounts for 30 per cent of employment in UK process plant contracting: if one excludes foreign-owned offices, Davy is responsible for one-half or more of British contracting employment. In terms of world wide contracting staff, Davy is significantly bigger than the next two biggest European-owned contractors put together.

Tibor Barna (Professor).
University of Sussex,
Brighton.

Interest

From Mr. J. Stride

Sir,—Mr. Harris suggested in his article on real interest rates (January 20) that by *reference to a manufacturer's* stock/sales ratio current interest rates are excessive in real terms.

As the six-month rate of inflation is close to 8 per cent, *it is concluded that the real* rate paid is in excess of 6 per *cent for a prime borrower*, or more for lesser status borrowers. *In early 1980 however, the six*-month rate of inflation was close to 24 per cent, and bank base rates were "only" 17 per cent. That no boom occurred is presumably related to the observation that the retail price index is relevant only to the personal sector. Yet if that is so Mr. Harris has deliberately muddied the water by referring to the rate of interest gross of taxation. My calculator tells me that, after taxation offset, the current borrowing cost to the prime borrower is 6.7 per cent. If this figure is related to the six-month wholesale prices index, the "real" rate of interest is about 1 per cent.

Further, the holder of commodities cited as final proof of the excessive nature of current interest rates, is almost certainly *not a manufacturer*. The corporate body suffering these soaring costs is actually speculating, and in this instance is being reminded that speculation entails a wide dispersal of realisable selling prices. If, of course, it does not reflect speculation but just over-optimism, does the manufacturer not realise that by reducing stock levels (thus causing prices to fall) he is actually raising the real cost of money against himself?

J. T. Stride.
Amberley,
Tattenham Crescent,
Epsom Downs, Surrey.

Redundancy

From the General Manager, Cwmbran Development Corporation.

Sir, — I refer to the letter from Mr. N. S. Brown (January 28) in which he states that *small business premises are not* available in his area.

Mr. Brown resides in the new town of Cwmbran where the *development corporation* has been engaged successfully for *many years in the development* of industry, including the pro*vision of a wide range of sizes* of unit factories. These include *smaller sized units*, for example, 500, 800, 1,000 and 1,250 sq ft and upwards.

Encouragingly there has been a vigorous demand for small units in the town, which has every appearance of continuing, and the corporation is now constructing, additionally, units of 750 sq ft in size which will be available within a few months. We are also prepared, where the investor is wary of committing himself to a long lease, to discuss tenancies on an annual basis.

R. W. Howlett.
Gwent House, Town Centre,
Cwmbran, Gwent.

TSBs

From Mr. A. Wallace.

Sir,—In the Lex column of January 31 referring to the latest bid by the Trustee Savings Banks Group for United Dominions Trust it is stated that the TSB reserves belong not to the depositors but to the banks themselves.

Is this now the policy of the TSB on the ownership question and if so how is this decision to be communicated to the depositors bearing in mind that this is a mutual movement built up entirely from depositors' funds? And in the views on ownership contained in the Page report it is stated: "In our view if the banks are to be considered as mutual organisations without shareholders the right interpretation would be for depositors to be entitled to the full value of the bank."

A. Wallace.
Gallows Nook,
Jedburgh, Roxburghshire.

Bacon

From the Chairman, Pigs Committee, National Farmers Union

Sir,—I would like to comment on your report (January 28) which quoted Danish sources as *suggesting that the positive monetary compensatory amounts on bacon are depress*ing consumption, and that prices *would fall if they were removed*.

There is no automatic relationship between the size of the MCA and the price of Danish bacon on our home market as the following figures illustrate. This week the wholesale price of Danish bacon in this country will be £1,201 per tonne. Deduct from that the UK MCA worth nearly £161 and the Danish earnings at the current rate of exchange are Kr 15,685. Exactly a year ago, the Danish bacon price was £1,250 per tonne, there was a nil MCA, and Danish earnings were Kr 15,378. Go back two years, when there was a negative UK MCA of nearly £231, and the Danish *wholesale bacon price was* £1,122 per tonne. Even with that big MCA added, the Danish earnings were only Kr 13,921.

From this, it is obvious that currency changes have raised *Danish earnings from the* British market, despite the MCAs. *It is also obvious to any*one who knows the bacon market that the Danes, *as good* businessmen, strive all the time to *get the highest price* they can and have the advantage of being able to control the volume they send to our market unlike our home bacon industry. But it is a fiercely competitive market, and this ensures that the consumer gets a better deal than the producer, most of the time.

So I agree with Peter Walker (January 30) that, while reducing MCAs would not have much effect, if any, on the retail prices here, it would help our overseas competitors but, certainly, not our producers.

J. F. Blanchard.
Agriculture House,
Knightsbridge, SW1.

Oil

From Dr. D. Wilson

Sir,—In your report concerning the fulfilment of Soviet plan targets (January 24), you state that plan targets for oil production have been revised downwards "because of difficulties in increasing production from new wells in Siberia."

While this is a popular belief among Western journalists it is nevertheless untrue. The Five-Year-Plan target for oil production in Western Siberia was 315m tons, and this target was fulfilled. The underfulfilment of the target for the country as a whole was entirely due to shortfalls by oilfields beneath, or adjacent to, the Caspian Sea. These fields are difficult and expensive to work, and it is apparent that the Soviets have decided to rest them until more efficient methods of exploiting the heavy oil have been devised.

Your report also implies that the national shortfall in oil production was due to the inability of the Soviets to produce more oil. Not so. As the world's second largest exporters of oil, the Soviets are obviously affected by the progress, or lack of it, by the principal consuming countries. The Western recession has been far deeper and longer than they anticipated, and their sales to Organisation for Economic Co-operation and Development countries have suffered accordingly. Their own economic growth, as your report points out, has been below target, and this has lead to a lower domestic demand for oil. The current policy of converting oil-fired power stations and boilers to gas should depress demand still further.

A low level of demand, rather than problems in supply, is the real reason behind the underfulfilment of the oil production plan target.

(Dr.) David Wilson.
School of Geography,
University of Leeds,
Leeds.

Shuttle

From Mr. F. Haney

Sir,—The information Mr. Parish passes along (February 3) is out of date. A few weeks ago I flew New York Air from Washington to New York for $39: about 12 cents per mile over the 235 miles. That's about 5p.

Frederick James Haney.
16, Sloane Square House,
1 Holbein Place, SW1

Dryden Gilling-Smith looks at the implications for future pensions planning in the light of the Scott Report

Extending the boundaries of index linking

THE MOST important recommendation of the Scott Committee published on Thursday—that "the Government should now seriously look at the case for issuing index bonds to cover pension liabilities" could have major implications for the future funding of private pension plans and for the living standards of all private sector employees who one day hope to retire on a pension, over and above what they get from the state, as well as for the self-employed.

Yet the original purpose of the enquiry was to evaluate the "cost" of "inflation proofing" public sector pensions so that proper allowance could be made for this "cost" in fixing public sector salaries. Furthermore a continuous flow of press comment during the past six months has led to the widespread belief that the role of the Scott Committee was to act as a hatchet for the Government in recommending a chop in the index linking of the pensions enjoyed by civil servants and most other public sector employees.

In the late 1960s we were moving towards the position where occupational pension schemes (public and private sector together) could reasonably take care of most of second tier pensions—without further burdening the State social security budget.

Quite suddenly the run-away inflation of the 1970s changed all this. Public sector employees enjoyed full "inflation proofing" of their pensions under the Pensions Increase Act of 1971.

Most large private sector employers provided pension increases on an ad hoc basis — many of them in fact treating their pensioners as well as public sector pensioners. The real losers were the self-employed buying fixed money annuities and pensioners whose former employers no longer existed to make voluntary ex gratia additions to their pensions.

Increasing awareness of this fact led to feelings of considerable insecurity by many people in the private sector and it is these feelings of insecurity that are largely responsible for the "highly charged atmosphere" to which the Scott Committee makes reference.

Like people fighting to get life belts when they think their ship is sinking, those who feel insecure about their pension rights cannot always be relied upon to tackle their problems in the most intelligent manner. Thus the resentment at the apparently "fire proof" protection against inflation enjoyed by public sector employees.

Amid these untutored panic reactions to high inflation, the private sector UK employer has had one of the most thankless tasks. In some cases he may be spending more than 20 per cent of his salary bill on a private pension scheme in addition to the 13.7 per cent employer's state social security contribution. (Part of this is of course a hidden tax but from the employer's point of view it is all one lump cost.)

The commercial justification for this private pension expenditure is that it buys employee goodwill by taking away part of the employee's fears and uncertainties about the future so that more mental energy can be used actually doing the job for which the employee is paid. However, a pension scheme which is not index linked can now no longer command the credibility that it could 10 years ago, so in a sense the private sector employer has been losing out in terms of what he can buy for his pension expenditure.

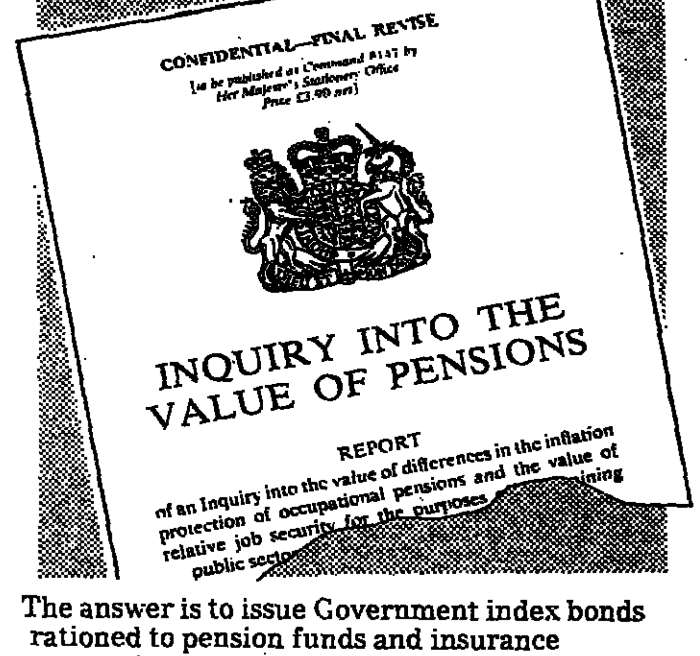
Many private sector schemes have tackled this problem by awarding the same cost-of-living increases as have been awarded in the public sector and others have gone a good deal of the way. They have, therefore, had to incur the full cost of inflation proofing, but this expenditure has not been able to earn a proper return in terms of employee goodwill because the private sector employer cannot make a contractual promise to provide index-linked pensions as can the State as employer. This is the nettle the Government has to grasp.

If it were to take away the index linking that has been contractually promised in the public sector, it would save relatively little in terms of money in the short term and lose an immeasurably large amount of goodwill.

The alternative to breaking faith with public sector employees is to enable private sector employers to offer the same protection against future inflation in the form of index linked pensions. The merit of the Scott Report is that it shows clearly how this can be done. The solution can be understood more readily if we look for a moment at the way a private sector pension scheme normally matches its liabilities.

In conditions of zero or level ("creeping") inflation it is possible for a pension fund or an insurance company to match its liability to pay a pension of a given amount by investing in a gilt that offers a guaranteed yield to a maturity date coinciding with the period of the employee's life expectancy at retirement. You merely need to have enough people in the fund to get the right mortality spread, and this is a relatively simple matter because if the fund is small it will normally buy an annuity from an insurance company that can achieve the necessary matching.

The price of the annuity will depend upon the yield. The funding process over the active working life of the employee will be aimed at producing enough capital at retirement to buy such annuities.



The answer is to issue Government index bonds rationed to pension funds and insurance companies in accordance with their pension liabilities and annuities purchased in connection with pension schemes plus retirement annuities purchased by the self-employed.

With the high levels of inflation in recent years a more sophisticated approach has been adopted. The actuary may allow for annual cost of living increases of say 5 per cent and a yield on the investments of the fund of say 8 per cent. In practice if inflation runs at say 15 per cent and the yield on the fund is 18 per cent there will be enough money to pay 15 per cent cost of living increases without the employer having to pitch in any more. It is the gap between these two figures that is important not the absolute amounts.

The problem for the employer is that he cannot be sure of achieving a return of 3 per cent more than the rate of retail price inflation because there are no investments that he can buy that will guarantee such a real rate of return of 3 per cent.

If a private sector employer were to make a contractual commitment to employees to index link pensions in payment in these circumstances, and hence run the risk of having to face future liabilities that could put him out of business, he could be said to have acted recklessly both by his employees who would be thrown out of jobs and by his shareholders.

This is why private sector employers will not normally make such commitments even though they are in practice meeting the high current cost of indexation.

In this context the actual remit of the Scott Committee seems, with the benefit of hindsight, rather pointless. How do you quantify the cost of something that cannot be bought in the open market. It becomes an exercise in sticking pins.

This is not an intelligent basis for fixing public sector salaries which the Government would prefer to leave to the forces of the market place.

Extend to private sector pension schemes and to insurance companies selling retirement annuities to the self-employed the means to match the promise of index linked pensions with an index linked gilt and the problem of comparability immediately disappears.

Hence the importance of the key recommendation in the Scott Report: "We would suggest that the Goverment should now look seriously at the case for issuing index bonds to cover pension liabilities."

It so happens that a growing body of opinion is coming round to the view that indexed Government bonds are the only sensible answer to the Government's borrowing requirement.

One of the objections which Mr. Gordon Richardson, Governor of the Bank of England, is often quoted as raising against indexed government stock is that it would be bought up in vast quantities by the Arabs.

The answer is to issue Government index bonds rationed to pension funds and insurance companies in accordance with their pension liabilities and annuities purchased in connection with pension schemes plus retirement annuities purchased by the self-employed. We are not talking about pension funds investing all their money in index bonds. The main flow of funds in respect of employees actively in service would continue to go through the normal stock market channels.

It is only when an employee retires that a specific liability to provide a particular amount of pension arises and it is only at this point that the index linked bond is required. Insurance companies and pension funds would have to justify their right to purchase such bonds on the basis of their liabilities for actual pensions in payment. This would be a fairly simple matter. What one is envisaging here is the extension of the principle of "granny bonds" to benefit a clearly defined group of pensioners.

As to the yield on such bonds there is considerable merit in consistency. The Government Actuary has (in spite of criticism in certain quarters) based his costing of public sector index linking on the assumption of a 3 per cent real rate of return. While the Inland Revenue do not dictate the assumptions that actuaries must use in costing private pension plans, they do require these assumptions to fall within "a band of reasonableness" and in practice this usually means a 3 per cent real rate assumption after retirement.

Given the present Inland Revenue approach, there is a strong case for the issue of a bond carrying a coupon of 3 per cent plus retail price increase in the year in question with the capital value also indexed to RPI. There is no need for these bonds to be traded on the Stock Exchange. This would create control problems. They could be issued on an individual basis like National Savings Certificates and redeemed at the current indexed price.

If certain critics regard such indexing as an expensive luxury, let them reflect on some of the invisible spin offs. If the Government is successful in getting inflation down to say 5 per cent in a year or two then it will only be paying 8 per cent on this indexed slice of its public debt, whereas it could well be saddled with 13 per cent on the same money well into the 21st century if it has to raise it through the conventional gilt market.

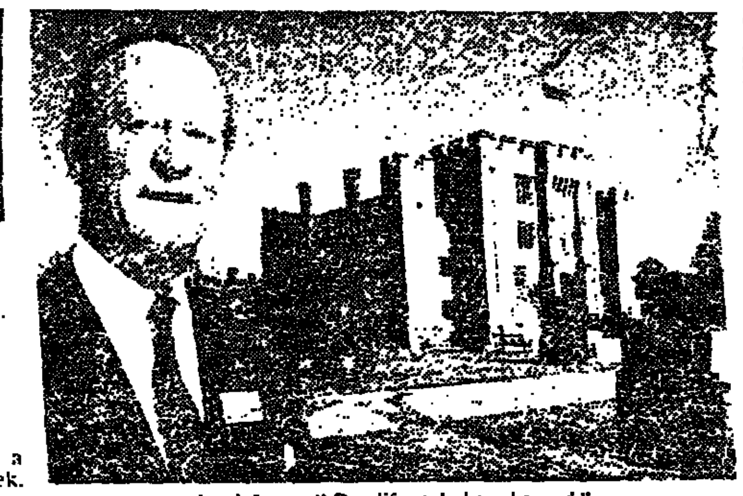
With less public debt flooding the conventional gilt market it can probably sell its remaining debt at a lower rate of interest. More private sector employees should be content with lower wage and salary increases than they would otherwise demand if they can sleep soundly at nights dreaming of their index linked pensions—and this too will reduce inflationary pressures.

And perhaps public sector employees generally will be more willing to settle with a good grace for less inflationary pay rises if the threat of losing their index linked pensions is removed.

So while Sir Bernard Scott may not have pleased the people who hoped he was going to reduce inflation by butchering public sector pensions, he and his team have made a major contribution to the task of bringing down inflation in Britain in the long term. That is, if the Government heeds his advice.

Mr. Gilling-Smith is Managing Director, Employee Benefit Services, EBS (Management) Ltd.

Weekend Brief



Lord Astor: "Our life-style has changed"

The Astors have their price

AS the Kent weather took a turn to the chilly this week, Lord Astor of Hever made sure his pullover was of sufficient wintry thickness, adjusted the fan heater in the tiny family apartment and made plans for his scheme to take in paying guests at Hever Castle. The Astors rarely turn on the central heating these days and are now down to one living-in servant. The present baron's father had about a dozen, and when his grandfather, William Waldorf Astor, ran Hever at its prime as a private residence there were more than 30.

The Astors are now putting their toes further into the swirling waters of commercialism by setting aside part of Hever's Tudor Village, built by William Waldorf, for high powered business conferences. The Astors will charge £35 a head for lunch (all drinks, cigarettes and a guided tour thrown in) and £65 a head for dinner. "People tend to stay longer and drink more," says Lord Astor with one eye on his impressive cellar.

Hever Castle is a remarkable country house by any standards. Once the home of Anne Boleyn, the central keep is surrounded by a moat offers everything from beautiful gardens to a drawbridge, the "village" and an interior which has a delightful intimacy and, when the heating is on, warmth.

"Our life-style has changed over the years," says Astor wistfully. "I can't, and don't want to, live here as my father and grandfather did. Our five children have all grown up and gone out into the world, and we live in a couple of rooms at the end of a very cold corridor."

Over the next few weeks the Astors will be throwing a few promotional parties for the business community to show just what Hever has to offer. This will include accommodation for senior management who want the relaxation of the Kent countryside with the security of the moat. Normal conferences will not, however, have the automatic presence of Lord Astor himself since he travels abroad too much to make such a guarantee. But, when pressed, he admits "we all have our price."

The Astors already open their doors to day-trippers in the summer months, with around 200,000 of them buying tickets last year. Although the family makes a little out of ice cream and souvenirs there is none of the razzmatazz of Woburn or Longleat. The nearest the Astors have come to the rough and tumble of mass marketing so far is a "Pavilion" available for weddings and office parties) whose decor owes more to 1970s Wimpy than Grinling Gibbons.

Guests for the new executive area will find themselves a long way from that sort of setting. When William Waldorf revamped the castle and built the village in 1904, he employed 748 workmen and another 800 helped in creating a lake. The results of those efforts would provide an impressive backdrop for any board of directors.

"Economics for the private owner are horrific," says Astor. His own cost-cutting in the past six months has included the lopping off of such aristocratic side-lines as a market garden and the shoot. "We are no better protected from the effects of inflation than any other business."

The Astors may find themselves against stiff blue-blooded competition in their new field. Slickest of the State Home/conference centre operations at the moment is probably Castle Ashby, home of the Marquess and Marchioness of Northampton. Castle Ashby offers its clients an Elizabethan Great Hall, helicopter landing facilities and glossy brochures with the basic marketing theme of "the centre for all occasions." In another sign of the times the Castle Ashby brochure carries an "amendment." The Order of the Garter displayed on page 13 has, it notes sadly, been handed to the nation in lieu of capital transfer tax. "It is now on view at the British Museum."

A bat the width of a wicket

As cricket grew over the years it gradually became synomous with sportsmanship so that any unfair action could be labelled as "not cricket." There were occasions when this whiter-than-white reputation was not always justified, because captains, teams and players did bend the laws to suit themselves.

A match in the early 19th century between Kent and London ended in considerable acrimony with Kent bringing a lawsuit against their opponents. White, of Reigate, obviously the possesser of a shrewd cricket brain arrived for a game with a bat which was wider than the wicket. W. G. Grace possessed a ruthless streak and not too many scruples, while in 1932, England won back the Ashes by employing fast leg theory, or bodyline as it became known. This brilliantly conceived and executed plan achieved its objective but the cost was high as, though it did not break the laws, it did offend against the spirit of sportsmanship.

But there is no doubt that in the last decade the behaviour of some cricketers has sharply deteriorated, tarnishing the once bright image of the game. Umpires have been physically assaulted and verbally abused, a brick has been thrown into the crowd, unpleasant incidents and tantrums which once would never have been tolerated have all increased and some of the language would not even be allowed on television.

In 1979, Brian Rose declared the Somerset innings closed to allow Worcestershire to win by ten wickets. This automatically guaranteed his team a place in the quarter finals of the Benson and Hedges Cup, but they were thrown out of the competition by the cricket authorities for bringing the game into disrepute. Now cricket has reached a new low when Greg Chappell, the Australian captain, instructed his brother Trevor to bowl the final ball of the one day international against New Zealand along the ground to make absolutely sure that his opponents could not hit the six which alone would have enabled them to tie.

Greg defended his action which has been roundly, sometimes hysterically condemned, by all who love the game. He says there was nothing against it in the laws. What he failed to realise was that his action deliberately denied the large crowd and television viewers the opportunity, although a very outside one, of seeing a perfect finish.

Why have standards declined and where has the laughter gone? One cannot help feeling that one reason is that the cash incentives especially in Australia, where the winner takes all, have become too high. On the other hand this meanness of spirit does not occur in golf, where the rewards are far bigger.

International cricket has always, quite rightly, been played very hard. There is nothing remotely new about gamesmanship—some past experts in this art would make many of the modern players look amateurs by comparison, but some players seem to have forgotten that cricket is a game to be enjoyed.

Scalping the airline market

American scalpers, those nimble, fast-talking dealmakers with an eye for a quick buck, have been making a fortune out of a fierce fare-cutting war that erupted between airlines which ply the busy 40-minute hop between New York and Washington DC.

When New York Air, a brash newcomer to the route, slashed the standard $59 fare to $40 at Christmas, Eastern Airlines hurried to protect its market dominance by luring passengers with coupons entitling them to a 50 per cent discount on the full fare from New York to either San Francisco or Los Angeles, which costs between $350 and $569 depending on what class you fly. So the coupons had a potential value of between $175 and $284.50.

The scalpers were quick to spot this red hot business opportunity, and within hours a lively market had sprung up. Passengers disembarking at New York and Washington were besieged by screaming hordes of dollar bill-touting young men and women clamouring for their coupons. Since only a tiny proportion of those who had received coupons had the slightest intention of travelling to California, literally thousands changed hands. Analysts estimate that Eastern must have handed out over 100,000 coupons in the three weeks the special offer lasted.

Competition for them got so fierce that scalpers even bought tickets to travel the New York-Washington route so that they could buy the coupons as they were being dished out in the plane. But that got so bad that Eastern invoked a federal law which makes it a crime to interfere with flight crews, and threw the scalpers off.

The going rate for coupons ranges between $25 and $50, with $30 about standard, which means that someone down the line is making a tidy profit passing them on to California-bound travellers for $100 or more.

The offer ended last weekend. But the coupons are valid until June 10. What's more, other airlines, determined not to be outdone by Eastern, say they will accept the coupons on their California flights as well.

The coupon market operates through travel agents who pass them on to customers. These are mainly companies, which, for prestige reasons, like their executives to appear to be travelling full fare rather than discount. The market for private individuals is less strong because many airlines, including Eastern, already offer cut-rate fares on special terms. Eastern's own Super Saver to Los Angeles is only $298 return, which makes it far cheaper than a coupon discounted fare in both directions.

Assault and battery

Next year, all going to plan, visitors to Normandy will be able to visit a refurbished relic recalling the crucial action of the British 6th Airborne Division following its early arrival in France on June 6, 1944.

The site of this nostalgic venture is close to the village of Merville Franceville-Plage, nearly a mile from the British landing beaches. There, 37 years ago, the 9th battalion of the Parachute Regiment had the task of silencing a heavy coastal gun battery several hours before the allied armies hit the beaches. A sector of the battery is about to be restored, with replicas of the gun teams in action, and much more, so that the scene appears as it did at the time of the attack.

The planning of the actual Merville raid was precise down to the last detail—even to the extent of creating a mock-up of the battery in the quiet of the English countryside near Newbury. Every paratrooper knew exactly where he was supposed to be at the right moment when the attack started. In theory, nothing was left to chance.

In practice, however, the operation turned out to be an enormous SNAFU which only the British appear to be able to turn to advantage at the eleventh hour.

The fleet of aircraft carrying the 750 paratroopers ran into heavy flak as it crossed the coast, and weaved about the sky to avoid destruction. In the ensuing confusion, most of the key men and their equipment were dropped many miles from the target. The reconnaissance group—which was actually put down at the right spot—was heavily bombed by Lancasters of the RAF, which were aiming to hit the target and soften it up before the paras went in. Not one bomb hit the target, but they caused havoc amongst the cattle in the surrounding countryside. Three gliders, with heavily armed troops on board, were meant to crash-land on top of the battery in support of the assault from outside the perimeter. Only two arrived, and they were both forced to land outside the target area.

Lt.-Colonel Terence Otway, the battalion commander, had also been put down in the wrong place—in the garden of a German military headquarters. Having hurriedly removed himself, he made his way to the rallying point for the attack on the battery.

He recalled yesterday that when he arrived he had only about 100 men to launch the attack. As the minutes ticked by towards zero hour, about another 50 stragglers turned up to swell the numbers. The other 600 were scattered over 50 square miles of Normandy. So was the battalion's vital equipment. There were no mortars or mine detectors, and no six-pounder guns or jeeps.

Nevertheless, supported by only one Vickers machine-gun and sufficient lengths of Bangalore torpedo (explosives in a long steel tube) to blow the barbed wire, Otway gave the order to attack. Feeling for mines in the dark with their bare hands, and under a hail of machine-gun fire, the battalion overran the battery.

Because its guns were trained on the beaches, a serious impediment to the main allied landings was removed. But the cost had been high. Nearly half the attacking force was killed, wounded or missing.

Since all this happened, the French have generously put up more than £80,000 to honour the part played by the 6th Airborne Division in Normandy. There is a fine museum close by Pegasus Bridge over the Canal de Caen at Benouville. So far, although the British Airborne forces and museums have supplied advice and equipment, there has been little hard cash from this side of the Channel. Now, with the backing of the biggest names in the Parachute Regiment, past and present, the Airborne Assault Normandy (AAN) Trust has just been formed as a registered charity to help put matters to rights.

The AAN Trust is now appealing to all past and present members of the Parachute Regiment and Airborne Forces, and others, to support this expansion of its latest venture in Normandy.

Contributors:
Arthur Sandles
Trevor Bailey
David Lascelles
Ian Dunning

Economic Diary

MONDAY: Two-day EEC Fisheries Council meeting opens Brussels. Two-day meeting of European Central Bankers begins, Basle. European Parliament in session, Luxembourg. Lord Soames, Lord President of the Council, meets Civil Service unions on pay. BL white collar union leaders meet management for talks on job cuts, Haseley Manor, Warwick. Wholesale price index (January provisional). Hire purchase and other instalment credit business (December). Mr. Bill Sirs, general secretary, Iron and Steel Trades Confederation, addresses Cardiff Business Club,

TUESDAY: UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-January). London clearing banks' monthly statement (mid-January). Central Government transactions (including borrowing requirement) (January). National Coal Board austerity plan for the industry. Ford management and unions in talks on truck drivers' dispute. President Sadat of Egypt addresses European Parliament on EEC's Middle East peace initiative.

WEDNESDAY: Trades Union Congress economic committee meets. Prime Minister of Mauritius begins three-day official visit to UK.

THURSDAY: Mr. Peter Shore, Opposition spokesman on Treasury and Economic Affairs, addresses 1981 European Outlook Conference, Hyde Park Hotel, London.

FRIDAY: Index of industrial production (December provisional). Building Societies monthly figures (January). Retail prices index (January). Tax and price index (January). Usable steel production (January).

SATURDAY: Mrs. Margaret Thatcher speaks at Young Conservatives Conference, Eastbourne. Mr. Michael Foot, Labour Party leader, addresses Labour Party Local Government Conference, Blackpool.

Stoddard incurs £0.9m loss so far

ON TURNOVER down from £12.48m to £11.34m, Stoddard Holdings, carpet group, has suffered taxable losses of £898,000 for the six months ended November 30, 1980, compared with £370,000 profits. The interim dividend is omitted—last year's payment was 0.556p, the final having been passed.

Much of the trading loss was due to the company retaining production capacity while negotiations were proceeding regarding the merger of Guthrie's Scottish carpet interests, the directors state.

Some months must elapse, they explain, before the transference of production is complete, until which losses will continue. The directors believe, however, that unless the recession deepens the new group should be operating profitably by the latter half of 1981.

Profit for the 12 months ended May 31, 1980, dropped from £723,000 to £44,000—the current financial period is for the 10 months to March 31, 1981.

In December the directors warned that interim results would not be good, but that after the merger with the three British Carpets' subsidiaries, the enlarged business would be able to spread its overheads over a larger volume of turnover and benefit from improved unit costs.

Pre-tax loss included finance charges up from £244,000 to £394,000.

Including about a £1m release from deferred tax, there was a tax credit of £1.44m (£192,000 charge) for the first half, making a net profit of £545,000 compared with £178,000—earnings per 25p share are shown to be well up from 2.16p to 6.75p.

Another adverse factor in *results was a drop in overseas* sales, Sir Robert A. Maclean, chairman, states. The fall in volume and more particularly in profit percentage was largely atributable to the sustained rise in the value of sterling, "thus effectively over-pricing our carpets in world markets."

Some overseas selling companies have already been closed and others reduced to the level of agencies, he adds. Stoddard expects still to receive continuing orders for specialised carpets, if on a much reduced scale.

As indicated in the circular to shareholders of the merger *details the auditors of Stoddard* and British Carpets were requested to report on the respective net assets being contributed.

The accounting basis adopted in ascertaining the respective net assets are those normally adopted by the two groups except that in the case of Stoddard any balances on deferred tax and Government grants are regarded as part of net assets and, in the case of British Carpets, attributable works overheads are included in the valuation of stock and work in progress.

On these bases the audited net assets of Stoddard have been confirmed to be £8.9m and Britsh Carpets £5.8m.

In terms of the agreement dated December 3, 1980 (between Stoddard, British Carpets and Guthrie) no adjustment in respect of the net assets contributed requires to be made. *With the integration of British* Carpets it may be necessary to restate the group's net assets, they say, since the accounting policies to be adopted will be those presently adopted by Stoddard.

Short-term borrowings of Stoddard are £3.85m, compared with £2.73m as at May 31, 1980.

● comment

Stoddard's shares remained at 15p yesterday unmoved by the sizeable interim pre-tax loss which is in line with the chairman's warning last December during the acquisition of Guthrie's Scottish carpet operations. The next set of figures will be presented at the end of March and will also show the enlarged Stoddard group still in the red. Thanks to a £1m release from the deferred taxation account, a sharp cut-back in stock and debtors plus remittance of cash from overseas Stoddard has managed to reduce short-term indebtedness by nearly 23 per cent to £3.85m. Longer term Stoddard appears confident the new group can move into the black by the end of 1981. This optimism is based on several trends—Stoddard's pruning of its loss-making overseas operations, its Lyle's tufted plant has now swung into the black and it hopes that the loss-making Templeton will become profitable after its transfer into Stoddard's Elderslie mill. Only time will tell if its confidence is well-placed.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Brit. Am. and General...	1.43	April 14	1.3	2.35	2.34§
Glasgow Stockholders ...	2.5	Mar. 21	2.2	4.25	3.89‡
Second Alliance ......int.	2.25	April 3	2.25	—	8.5
Stoddard Hldgs. ......int.	Nil	—	0.56	—	0.56

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Includes special 0.4413p. § Includes special 0.217p.

Good potential for Rufflette

Given a reasonable economic climate the potential for the Rufflette products made by Thomas French and Sons is good says Mr. T. J. French, the chairman.

In his annual report he says that the rationalisation and modernisation of the last few years enabled the UK Rufflette operations to achieve a reasonable result in 1979/80.

The overseas companies also benefited especially in South Africa. The Australian company made particularly good progress following its concentration in one building.

Even so, all activities were hit by the recession with trading profit from all curtaining styling products dipping from £1.38m to £1.31m on sales of £14.13m (£12.66m) and specialised electrical heating equipment profit diving from £246,461 to £31,827 on sales little changed at £2.73m (£2.74m).

On the electrical and electronic products side, following the successes of the previous year, the group had geared up for further expansion. This involves additional running costs which made the fall in demand doubly expensive, Mr. French says.

In addition the factory at Corby had to be closed and the business moved to the premises at Bury.

Group taxable profit for the year to September 27, 1980, slipped to £1.34m (£1.63m) as reported January 15. Sales rose 9.5 per cent to £16.86m with the export content 35 per cent better at £1.27m.

The net dividend is raised to 5p (4.5p).

On a CCA basis pre-tax surplus is reduced to £982,000 (£1.21m).

At year-end borrowings were down at £516,324 (£731,341) and cash was £274,422 (£433,287), but shareholders' funds were up from £4.15m to £4.91m.

Capital spending during the year totalled *£791,000* and at year-end planned spending amounted to £172,036 (£59,701) of which £146,869 (£10,000) had been authorised but not contracted.

Meeting, Old Trafford, Manchester, February 26 at 12.30 pm.

H. Williams £272,000 in the red

Losses incurred by H. Williams and Company in the second half of 1979 have continued in the current year and for the first six months of 1980 the Dublin-based grocer reports a pre-tax deficit of Ir£272,000, compared with a profit of £54,000. Turnover rose from £15m to £18.1m.

The interim dividend is omitted. Last year an interim of 1.1375p net was followed by a final of 5.36p despite the group finishing the 12 months with a taxable loss of £127,506.

Mr. John J. Quinn, the chairman, says the results confirm his warning at the AGM that 1980 would not be favourable—adding that he cannot be but pessimistic about the final outcome for the year.

After a tax credit of £89,000 (£23,000 charge) for the half year, there was a net loss of £183,000, against a profit of £31,000.

During 1980 the group's properties were revalued at £5.65m, giving a surplus over net book value in 1979 of £3.14m.

Dunford & Elliott loss soars £3.4m

PRE-TAX losses of Lonrho subsidiary, Dunford and Elliott soared from £144,000 to £3.54m for the year ended September 30, 1980, on lower turnover of £87.14m, compared with £100.24m.

At halftime, this steelmaker, forgemaster and engineer had reduced its pre-tax deficit from £902,000 to £709,000.

Trading loss for the year was £494,000, against profit of £2.41m previously. This was struck before exceptional credits of £221,000 (£174,000) and interest charges up from £2.73m to £3.27m.

Tax accounted for £518,000 *(£658,000) and after minorities,* the net deficit increased from £997,000 to £4.48m. Including extraordinary credits of £1.42m (£3.43m debits) there was a loss of £3.07m, against £4.42m.

Sterling Credit placing to strengthen its base

Sterling Credit Group, of which Mr. Nicholas Oppenheim is managing director, proposes to raise £1.29m by placing 1.2m new 8 per cent convertible redeemable £1 preference shares at a subscription price of 110p each.

The money is being raised to strengthen the company's capital base and allow it to expand its remaining lending businesses. Sterling was recapitalised in a rescue package last October. After the placing, Sterling will have no outstanding borrowings, although full details of the working capital position are still awaited from the auditors.

An EGM is to be held on March 2, 1981 to increase the authorised capital by creating 3m new preference and 62.3m new "A" ordinary shares and to approve the placing.

If these actions are taken and the placing implemented, 1.8m new preference shares and all of the new "A" shares will remain unissued. A total of 21.6m "A" shares will be reserved for conversion of the new preference shares.

The new preference shares may be converted into "A" ordinary shares effectively on the basis of one new "A" share for each 5.55p, 6.66p, and 8.33p nominal of new preference shares following the publication of the interim results for 1981, the final results for 1981 and the interim results for 1982, respectively.

If the "A" shares should have been converted into ordinary shares by these dates, the new preference shares would be convertible into ordinary shares on the same basis.

Prior to conversion, the new preference shares rank for dividend after the existing 12.75 per cent preference shares. They also rank after the Midland Bank variable rate loan for repayment of capital in a winding up. The Midland has agreed to vary the interest rights of the loan, so that it is subordinate to the new preference shares in certain circumstances.

Kellock Tst. sees slowdown

ALTHOUGH THE directors of Kellock Trust anticipate a material improvement in results for the current year, Mr. John Kellock Laurence, chairman, tells shareholders in his annual review that it is improbable the growth rate of about 100 per cent, which has been attained over the last few years, will be maintained in 1981.

As reported on January 30, pre-tax profits for the December 31, year more than doubled from £150,015 to £306,825 for the newly-listed company, which is paying a 0.5p dividend.

First quarter loss at Reed Stenhouse

FOR THE three months ended December 31, 1980, Reed Stenhouse Companies, the Canadian subsidiary of Stenhouse Holdings, incurred taxable losses of £274,000, against £528,000 earnings.

The directors blame the costs which continue to be incurred for the future development of the business, together with the effect of inflation on expenses.

The company's budgeting, however, indicated a larger loss for the quarter, suggesting that the full year results (in Canadian dollar terms) will be satisfactory, they state.

Operating expenses totalled £18.06m against £15.99m, depreciation £522,000 (£416,000), and interest £432,000 (£288,000).

There was a tax credit of £129,000 (£299,000 charge).

Loss per share is given as 1.6p, compared with 0.9p earnings.

High hopes at Woodada

BY GEORGE MILLING-STANLEY

THE PROBLEMS encountered at the Woodada No. 3 exploration well in Western Australia's Perth Basin could be "indicative of a major reservoir of hydrocarbons," according to Mr. Ron Wise, a former managing director of Strata Oil who now acts as a consultant to the company.

"We would expect the worst possible result to be better than anyone's best expectations before we started drilling there," he said in London.

Strata, which has a 26.95 per cent interest in the Woodada area, has already announced that the No. 3 well had encountered strong shows of gas and traces of oil, but earlier this week *the company reported that it was* having mechanical problems. A further report from the site is *expected early next week.*

The first two wells drilled in the area flowed gas at around 30m cubic feet per day, and Australian share markets have been alive with speculation that the third well might produce oil.

Estimates of the possible daily flow of oil have varied widely, but there is clearly still a long way to go before it can be established whether Woodada will be a commercial discovery.

Other interests in Woodada are Hughes and Hughes of Texas, 65 per cent, and Mincorp, with 1 per cent. The UK-registered Hampton Trust is involved in negotiations to buy a 3.5 per cent stake.

British American & General rises

Attributable income of British American and General Trust rose from £1.15m to £1.26m in 1980, and earnings per 25p share are stated up from 2.29p to 2.52p.

A net final dividend of 1.425p lifts the total to 2.35p (2.125p excluding special payment of 0.217p).

Gross income was £2.24m, compared with £2.16m, which included income received from Shell, before tax of £0.79m (£0.72m).

Net asset value at year-end was better at 63.9p, against 52.5p.

Results due next week

The market is expecting a poor set of preliminary figures from Imperial Group on Thursday with estimates ranging between £115m and £124m pre-tax profit for the year-end October 31, 1980 as against last year's £136.6m. Despite the likelihood that the final dividend of 4.5p will be uncovered on a CCA basis the consensus among analysts is that Imperial will take the long-term view and maintain the payment. Lower earnings will reflect a decline in volume of around 2 per cent in tobacco, a lacklustre performance from the brewery interests in line with the general depression in that sector and a collapse in the food division, which will probably account for about 50 per cent of the shortfall for the group as a whole.

In addition, hefty interest charges, partly reflecting the financing of the Howard Johnson acquisition on the basis of what has proved to be expensive floating rate dollar paper, will take their toll.

Dowty Group will probably at least match last year's interim figures: Thursday's announcement is expected to show a pre-tax profit of about £18m, against £17.4m. The aerospace division is thought to be doing reasonably well, and electronics will be sustained by good orders for sonarbuoys. Margins have probably held up well in mining machinery, but demand is bound to have fallen back—the NCB is said to be placing 30 per cent fewer orders overall, and the Chinese contract which lifted interim profits last year has not been replaced. The second half is not likely to show much advance on last year, so analysts are no longer looking for more than £39m pre-tax at the end of the year (£37.9m). If there is an increase in the interim dividend, it will be modest.

Other companies reporting next week include Donald Macpherson and Scottish Agricultural, with preliminaries on Tuesday and Thursday respectively, and R. P. Martin, whose interim figures are due on Monday. Martin has already said that it expects to increase its total dividend for the year.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS—				
Anglo American Securities Corporation	Wednesday	1.2	3.54‡a	1.3
Arden and Cobden Hotels	Wednesday	—	4.75	—
Broadstone Investment Trust	Monday	2.0	5.35	2.2
Cardinal Investment Trust	Thursday	1.5	2.88b	1.65
City Offices	Tuesday	1.3	1.7†	1.3
Crescent Japan Investment Trust	Tuesday	—	2.5	—
Crest Nicholson	Tuesday	1.5	2.59838	2.0
Ford (Martin)	Thursday	2.75	4.5	2.75
Hirst & Mallinson	Wednesday	1.3	1.3	0.65
Imperial Group	Friday	1.3	1.3	—
Ladies Pride Outerwear	Tuesday	1.27273	1.81818	1.4
Macpherson (Donald) Group	Tuesday	1.5	2.7	1.5
Manchester Ship Canal	Monday	7.9874	10.83	7.5
Moorside Trust	Wednesday	1.6	4.4	2.0
Murray Western Investment Trust	Monday	0.5	1.6	0.5
Pentland Investment Trust	Friday	1.5	3.95	1.5
Plastic Constructions	Tuesday	0.838	1.8303	0.838
River and Mercantile Trust	Thursday	4.0	8.86*	5.0
River Plate and General Inv. Trust	Thursday	2.0	7.0	2.5
St. Andrews Trust	Friday	2.25	4.35	2.5
Scottish Agricultural Industries	Thursday	5.75	9.0	5.75
Thermal Syndicate	Thursday	3.0	4.0	3.0
Tribune Investment Trust	Thursday	0.65	1.68§	0.8
[illegible] Finance Corporation	Friday	0.625	1.6875	0.625

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
INTERIM DIVIDENDS—				
Banks (Sidney C.)	Thursday	1.75	3.5	
Centrovincial Estates	Thursday	1.0	1.0	
Cook (William) and Sons (Sheffield)	Thursday	0.6	0.7	
Crouch Group	Tuesday	1.075	3.325	
Douglas (Robert M.) Holdings	Thursday	1.1	3.4	
Dowty Group	Thursday	2.0	2.5	
Guildhall Property	Thursday	0.75	3.9	
Hampson Industries	Thursday	0.25	0.47727	
Kinta Kellas Rubber Estates	Thursday	1.5	3.5	
Malaysia Rubber	Thursday	1.0	2.5	
Martin (R. P.)	Monday	1.5	3.0	
Press Tools	Wednesday	0.95	1.75	
Ransome (William)	Thursday	1.427	4.175	
Seltone	Tuesday	1.8	7.2	
INTERIM FIGURES—				
Capital Reserve Fund	Monday			
Electronic Machine	Monday			
Jackson (William)	Tuesday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. ‡ Second interim. † Includes special dividend of 0.487p. The following are non-recurring dividends included in some dividend totals: * 0.86p. † 1.0p. § 0.28p. a 0.54p.

The following are non-recurring dividends included in some dividend totals: b 0.33p.

BIDS AND DEALS

NCC Energy investing £6m in North America

Mr. Graham Ferguson Lacey, the chairman of NCC Energy, yesterday announced a series of North American acquisitions in the oil and gas industry costing around £6m. The purchases, to be financed from proceeds of NCC's recent sale of shareholdings in Weeks Petroleum, amounting to £7.84m, and other investments, include exploration and production properties in the U.S.

Mr. Lacey, speaking from Washington where he had attended a national prayer breakfast meeting with President Reagan and others, said: "The acquisitions are part of our policy to become a fully integrated oil and gas company."

The largest single deal is the purchase, by way of a private placement of 339,649 new shares, of Ni-Cal, a Canadian resource company. This purchase, costing C$5.8m, increases NCC's holdings in Ni-Cal to 20.3 per cent.

The board of Ni-Cal plan to use the proceeds of the placing to diversify into oil and gas projects. In particular, Ni-Cal is to take a 45 per cent stake ($2m) in a 31-well drilling programme organised by NCC.

This programme, in Texas, Nebraska and Tennessee, will be run by Mercury Exploration, a partner of NCC's. It will cost a total of $4.4m, of which NCC will invest $1.4m for a 32½ per cent interest. The latter 22½ per cent interest will be shared by Agip, the Italian group, and Alpine Geophysical Corporation, a U.S. company with headquarters in Scarsdale, New York, in which NCC is also taking a stake.

NCC is also committed to a $4.5m programme with Damson Oil of Texas, to drill on properties in Pennsylvania. NCC will be responsible for $2.25m, to cover the drilling and completion of 17 wells.

The NCC package of acquisitions revealed yesterday also includes a purchase of acreage in New Mexico for $381,000 and a 25 per cent interest for $688,000 in a prospect in East Blessing, Texas, to be drilled by Damson Oil.

The other major deal in the package is NCC's purchase of a 23 per cent stake in the Alpine company of Scarsdale. This will cost around $4m.

On a smaller scale, NCC has purchased a 2 per cent interest in a 2½ per cent royalty on future petroleum production from a sector of the East China Sea. This cost $500,000 and is being explored by Japanese and Korean companies.

Mr. Lacey said that future ventures would be planned with both Ni-Cal and Alpine. These companies have market capitalisations of $47m and $26½m respectively. Ni-Cal is listed on the Vancouver Stock Exchange and Alpine is traded over the counter in New York.

Mr. Lacey expressed his hope that NCC shareholders would "recognise the true value" of his U.S. acquisitions. He said there was a great deal of suspicion in London about North American ventures.

Tilling in $50m U.S. drilling rig deal

THOMAS TILLING INC., the U.S. arm of the British industrial holding company, said in New York yesterday that it had entered the drilling rig business in a deal worth about $50m. This reflects the company's current expansion programme in the U.S. energy sector.

Through its Louisiana-based Superior Supply Company, Tilling said it had completed contracts for the purchase and subsequent resale of eight drilling rigs. After upgrading the rigs so that *they can operate at depths* of between 6,000 and 25,000 feet, the company will sell the eight rigs to a buyer.

Tilling's U.S. subsidiary is already present in the U.S. energy market through Superior and the NWS Supply Group, based in Houston, which distribute exploration, production and transmission materials to the oil and petrochemical markets.

According to the company, Tilling has invested more than $280m in the U.S. during the past four years.

Other Tilling acquisitions during 1980 included: Electric Supplies Distribution Company of San Diego; Badger Northland Inc., of Kaukauna, Wisconsin; American Gear and Supply Company, of Houston; and Winifred M. Berg Inc., of East Rockaway, New York.

S & N shares pay for lossmaker

AVON RUBBER has completed the sale to Smith and Nephew Associated Companies of its medical subsidiary, which made a loss of £626,000 in the last financial year after interest of £246,000.

Smith and Nephew is financing the £2.5m purchase by issuing 2.91m shares, which have been placed through the market. Of the proceeds, £500,000 has been provided for working capital and the development of the medicals business.

At the end of the year to September 30, 1980 assets of Avon Medicals totalled £3.08m. Avon also intends to sell the subsidiary's Birmingham freehold premises (book value £467,000) and its U.S. subsidiary, Dravon Medical, for around £750,000.

Proceeds of the sale of Medicals, which makes and sells specialised disposable medical products, mainly for use in blood treatment, will be used to cut Avon's bank borrowings and to invest in its main activities.

BUTTERFIELD HARVEY

Harvey-Habridge, a wholly-owned subsidiary of Butterfield-Harvey, has been acquired by Hill-Foster for £50,000 cash. The indebtedness of £238,000 owed by Harvey-Habridge to Butterfield will be repaid by March 31.

SECURITY CENTRES

Security Centres Holdings has bought the intruder alarm installations of Service Alarms based in Bristol.

At the same time Jamieson Management Services, a company controlled by Security Centres' chairman Mr. T. S. Jamieson, has sold 500,000 shares in the group by way of a placing with institutional investors.

Following this placing Jamieson Management Services remains beneficially interested in 1,391,860 shares, or 17.7 per cent. Mr. Jamieson's direct holding is unchanged at 16,666 shares.

Neither Mr. Jamieson nor Jamieson Management Services intend to make further disposals in the foreseeable future.

BARCLAYS FINANCES VICK BROS. DEAL

Barclays Development Capital has made a £400,000 investment which has enabled directors of Vick Bros, Ford main dealer, to buy the company from existing shareholders. The investment took the form of equity and redeemable preference shares in a new company, Vick Motor Holdings, set up to acquire the existing group. This, together with a ten-year loan from Barclays Bank, has resulted in Mr. John Vick and his co-directors owning 85 per cent of the new group, compared with their 12 per cent holding in Vick Bros.

Vick Motor Holdings has branches in Farnborough, Hants, Farnham, Surrey, and Trowbridge, Wilts. Barclays Development Capital, a wholly-owned subsidiary of Barclays Merchant Bank, was set up in 1979 to make minority equity investments in unquoted companies. To date it has invested nearly £4m in nine growing businesses.

NESCO/COLMORE

Following the announcement that Nesco Investments had acquired 50.03 per cent of the issued share capital of Colmore Investments, directors of Colmore have advised shareholders who have not yet accepted Nesco's revised offer to do so.

The directors and their families, who together own 26.6 per cent, intend to accept the offer, as do the trustees of the Colmore Combine Pension Fund in respect of its 5.6 per cent holding.

FOTHERGILL ENTERS FIBRE OPTICS

Fothergill & Harvey, a leading producer of fluorocarbon insulated high performance wires and cables for the European avionics and electronics industries, is to enter the field of fibre optic cable manufacture.

The company is taking a 26 per cent interest in Focom Systems, a new Leeds based company specialising in optical fibre production, and in the design and installation of data communication systems.

Focom, whose strength lies in drawing fibre and producing the electronic terminal systems, will be able to utilise Fothergill's extensive fibre processing technology and its knowledge and manufacturing expertise used in producing miniaturised cables.

GLASGOW PHOTO

Glasgow Photo Playhouses, *whose unsuccessful bid for Glasgow Picture House lapsed earlier* this week, is to be permitted to come back with another offer.

The Takeover Code allows unsuccessful bidders to return with a higher offer if another competing bidder enters the fray. In this case County Property and Developments made an £8 per share bid on January 29, topping Glasgow Photo's £6.50 original offer.

Glasgow Photo already owns 38 per cent of Picture House and will not be accepting the County offer. Its own new offer will be sent to shareholders in a few days.

Lonrho stake increased to 29.99%

Lonrho, the international trading conglomerate which is making a 150p cash offer for House of Fraser, has bought a *small block* of Fraser shares in a deal worth £127,800.

Carr Sebag, the stockbrokers, purchased for Lonrho 90,000 shares in House of Fraser at 142p.

Lonrho held 45,096,000 Fraser shares (29.94 per cent) at the time of the announcement of its intended offer last week. The latest purchase brings its stake to 45,186,000 (29.99 per cent).

Under City Code on Takeovers and Mergers rules any offer must not be made if its implementation might be dependent on the passing of a resolution at any meeting of shareholders of the offerer.

If Lonrho took its stake above 30 per cent it would be obliged to make an offer for the whole Fraser group.

Lonrho's proposed deal is large enough to be considered a "class 4" transaction by the Stock Exchange and will require approval from Lonrho's own shareholders at a meeting which has been convened on March 4.

Meanwhile House of Fraser is planning to issue a letter to shareholders next week as its first formal defence in its campaign to ward off the bid which has been described by its board as "totally unacceptable."

The revaluation of the House of Fraser assets has not yet been finalised.

Rosgill offered alternative

Lawncast, the new company formed to make a joint offer for Rosgill Holdings on behalf of Amber Day and Mr. James Ingles, Rosgill's chairman, is to make a share alternative offer to shareholders.

Initially, Lawncast offered independent shareholders 27.5p in cash, but Mr. Ingles was swopping his 22 per cent Rosgill stake for an equivalent number of shares in Lawncast.

The Takeover Panel ruled that, because Amber Day was providing the finance for the offer, Mr. Ingles could not be regarded as a joint offeror, but one of the shareholders to whom the offer was being made.

On those grounds he was being offered a different consideration from other shareholders—which breaches the general principle that all shareholders be treated alike.

Without admitting that the principle has been breached, Charterhouse Japhet, Lawncast's bank, has agreed to make a share offer open to all. Shareholders *may now accept either 27.5p in* cash or one Lawncast share.

Lawncast is not intending to seek a listing for its shares, it has no declared dividend policy and shareholders wishing to sell must offer shares first to other holders.

The new terms are not likely to alter the outcome of the bid. Lawncast already owns 29.96 per cent of Rosgill and has irrevocable acceptances from other shareholders taking its committed total to 61.7 per cent.

ARGYLL MEMBERS APPROVE ORIEL DEAL

At yesterday's Argyll Foods' general meeting, resolutions to approve the acquisition of Oriel Foods were passed. The acquisition of Oriel has now been *completed.*

Allotment letters have been sent to the holders of ordinary and convertible preference shares in relation to the rights issue of 12,459,842 new ordinary at 65p per share. Dealings in those classes (both ex-rights) and in the new ordinary shares (nil paid) will start Monday.

E. J. RILEY AND ANDOR ARTS

E. J. Riley has now paid the final instalment of the £88,287 consideration for its acquisition of Andor Arts.

The payment consisted of 187,845 ordinary shares which have been placed through the *market with clients of Orme and* Company in order to realise a net sum of £30,711 for the vendors.

DUNTON GROUP

The offer by Mr. G. K. Sore and Mr. A. L. Ward to acquire 840,000 ordinary shares of the Dunton Group has closed.

Mr. Sore and Mr. Ward held 6,262,500 shares (54.75 per cent) and 937,500 shares (8.19 per cent) respectively prior to the offer. Acceptances to the offer were received in respect of 191,100 shares (1.67 per cent).

It is intended to make available to the staff of Bulk Earthmoving (a wholly owned subsidiary of Dunton) the first 100,000 shares acquired under the offer and to place the balance *in the USM.*

STEEL BROTHERS EXPANSION

Steel Brothers Group has expanded its lime operations in North America at a cost of some $5.2m, including proposed improvements.

Continental Lime Inc., a subsidiary of Steel Brothers Canada, has bought the existing lime operations of Domtar Industries Inc. at Tacoma, Washington. These facilities will be expanded to provide additional capacity and improved fuel efficiency from the current 75,000 tons to 100,000 tons per annum.

Steel Canada is doubling its lime plant capacity at Pavilion Lake, British Columbia, and constructing a bulk lime distribution terminal at New Westminster, BC.

SUMRIE CLOTHES

Mr. Harvey M. Ross has increased his holding in Sumrie Clothes to a total of 175,000 shares, representing 7 per cent of the equity.

Little hope for S. Counties creditors

Creditors of Southern Counties Construction Company, which went into liquidation last year, were given little hope of recovering their money at a meeting in Portsmouth.

The company, based at Waterlooville, Hampshire, and five other firms in the same group, went into liquidation on May 12, 1980 after National Westminster Bank refused further overdraft facilities.

The group has an estimated deficiency of more than £3.4m, including total debts to National Westminster of £815,353.

Unsecured creditors — more than 1,000 companies and individuals — are owed around £2.1m, and they were told at the creditors' meeting that it was not yet certain if any dividend would be paid to them.

Southern Counties was founded in 1936 and enjoyed its most successful year as late as 1975, when on a turnover of £9.9m pre-tax profits came to £554,000.

But in 1977, when Caffin and Company of Ricksmansworth, Herts., was acquired Southern Counties reported a loss of £765,000 on turnover of £13.7m.

At the time of liquidation, the company had new contracts worth £7m but cash-flow problems led to its collapse, and the loss of 400 jobs.

SHARE STAKES

Fife Forge—London Atlantic *Investment Trust* has acquired a further 130,000 shares and now hold 175,000 (6.532 per cent).

General Accident Fire and Life Assurance Corp.—Kuwait Investment Office has acquired 525,000 ordinary, making its holding 14,743,000 (8.97 per cent).

Homfray and Co.—Mr. C. J. Gillam, director, has acquired 300,000 ordinary shares, making his total holding 2,067,034 (13.40 per cent).

Burnett and Hallamshire Holdings—As a result of sales on January 22, Sun Life Assurance Society now holds below 5 per cent.

Pegler-Hattersley—As a result of a sale of 25,000 shares by one of its subsidiaries, Prudential Corp. Group now holds 1,505,058 shares (less than 5 per cent).

Standard Fireworks—Britannic Assurance has acquired an additional 30,000 shares, making its holding 142,000 (8.52 per cent).

Muirhead — Sir Raymond Brown, director, has acquired 55,000 shares.

Stewart Nairn Group—Levex has disposed of 50,000 shares, leaving 850,000 (9.2 per cent).

Brownlee and Co.—J. F. McLelland, director — joint attorney of R. N. Paisley until he obtains letters of administration of the estate of the late T. B. Paisley—has disposed of 569,700 shares (5.36 per cent) leaving interest nil.

Winterbottom Trust—Equity and Law Life Assurance Society has disposed of 1.36m shares leaving holding 237,500 (4.95 per cent).

I. and J. Hyman—P. Buckley, chairman, has disposed of 25,000 shares; V. W. Mannion, director, has disposed of 24,000.

Uniflex Holdings — Hillsdown Holdings has acquired 60,000 shares; G. Murphy, director, sold on January 1 50,000.

Evode Holdings—Executors of the will of the late Dr. Hermann Simon have sold 220,000 shares.

Boustead—Hendon Green disposed of 80,000 shares thereby reducing holding to 2,105,000 (6.3 per cent).

Brotherhood (Peter) — The holding of the I.T.C. Pension Trust jointly with the I.T.C. Pension Investments has increased from 250,000 to 264,283 ordinary shares (5.85 per cent).

Toye and Co. — Mr. B. E. Toye, director, acquired 131,915 shares.

Harrisons and Crosfield — Kuwait Investment Office has acquired interest in 100,000 shares making interest 5,394,417 shares (9.23 per cent).

Myson Group — Commercial *Union Assurance Company* owns 505,001 shares (5.25 per cent).

Inchcape and Company — The beneficial interest of R. A. Henderson, director, has been reduced by the sale of 47,654 shares.

Polly Peck (Holdings) — R. Zelker, director, has sold 48,000 ordinary.

Belhaven Brewery — J. H. Le Helliou, director, has sold 461,363 shares reducing holding to 61,277. K. E. Vohmann, director, has sold 461,362 shares reducing holding to 61,324.

Royal Insurance — Kuwait Investments Office acquired on January 26 an interest in a further 200,000 new ordinary shares making interest 10,718,750 (5.69 per cent).

Second City Properties — Control Securities has acquired further 25,000 ordinary, increasing holding to 1,559,500 (10.35 per cent).

Taylor Woodrow — Norwich Union Insurance Group now holds 1,477,628 ordinary (5.02 per cent).

Burns-Anderson — W. Burns and I. L. Black, both directors, have jointly purchased 50,000 shares.

Malaysia Rubber Company — Kinta Kellas Rubber Estates has acquired 1,600 shares making holding 336,000 (18.7 per cent).

هكذا من الاصل

THE WEEK'S COMPANY NEWS

Bids and Deals

In sharp contrast to the recent high level of activity, the takeover front this week saw only one new bid launched. Stag Line, the Tyneside-based shippers, already in receipt of an offer worth 355p per share from Hunting Gibson, have received a rival bid from Turnbull Scott of 400p cash, valuing Stag at £4.9m. Ropner Holdings controls 29.9 per cent of Stag and, having undertaken to accept the original offer, is at present studying the new offer.

Alcan Aluminium of Canada is considering making an offer for the outstanding 22 per cent of Alcan Aluminium (UK) it does not already own. On Tuesday, dealings in the latter's shares were suspended on the Stock Exchange at 52p valuing the minority at £5.2m.

Scottish-based Lyle Shipping is purchasing property development and leasing group Leadenhall Commodities for £2.8m. The consideration will be satisfied by placing new Lyle ordinary and A shares with the market. By a similar method, Mitchell Cotts, the multi-national concern involved in engineering, trading and transport, is paying £22.4m for freight forwarders Bruda International.

Bahco's revised cash offer for Record Ridgway is 42p per share, not 47p as stated here last week.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc'ce date
Prices in pence unless otherwise indicated.						
Aberdeen Invs.§§	100*	164	86	2.00	Aitken (Eng.)	—
Avenue Close	86§§	83½	78	10.47	Peachey Prop.	—
Booth Intnl.	58§§	56	34	2.32	Garner Scotblair	—
Bristol Evening Post	190*§	172	105	5.92	Associated Newspapers	—
Central Man. and Trad.	52§	50	40	11.92	Hanson Tst.	18/2
Colmore Invs.	33*	33	30	13.2	Neseo	—
Davy Corp.	189	146	149	142.0	Enserch	—
Eva Inds.	40*§	40	37	2.73	Anglo Indonesian	—
Evered	22*	25	117	1.28	Francis Inds.	—
Hawthorn Leslie	130*	140	107	3.49	Starwest	9/2
House of Fraser	150*§	144	122	158.3	Lonrho	—
Inveresk	35*	31½	35	7.12	Georgia-Pacific	—
Negretti and Zambra	25*	29½	30½	0.80	Western Scientific	—
Record Ridgway	42*‡	41	20	4.77	Bahco	27/2
Renwick	85*	85	77††	7.64	Kangra	—
Robertson Foods	157½	153	97	18.35	Avana	—
Rosgill	27½*	27½	28	2.63	Amber Day	—
Royco	60*	58	48	3.00	Bonerpark	—
Stag Line	355*	403	270††	4.38	Hntng. Gibson	—
Stag Line	400*	403	400	4.9	Turnbull Scott	—
Stocks (J.)	149	152	102	3.72	Fitch Lovell	—
UDT	55*	59	38	106.0	Lloyds and Scottish	—
UDT	57*	59	52	109.8	TSB	—
Witter (T.)	54*§	54	42	0.89	Tarmac	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on 6/2/81. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ✝ Corrected.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Aaronson Bros.	Sept.	1,960	(4,010)	3.4	(11.3)	4.2	(4.2)
African Lakes	July	773	(1,310)	8.7	(12.7)	1.1	(0.9)
Beaumont Props.	Sept.	1,460	(1,270)	6.6	(5.3)	5.25	(4.5)
Blundell Permglz.	Oct.	1,840	(2,190)	6.3	(23.4)	4.8	(4.8)
Everards Brewery	Sept.	1,530	(1,370)	38.3	(34.8)	5.4	(5.7)
Home Brewery	Sept.	2,080†	(2,130)†	34.7	(35.5)	6.5	(5.5)
IDC Group	Oct.	1,040	(1,250)	7.6	(60.3)	5.06	(4.6)
Kennedy Brookes	Oct.	129	(69)	14.5	(10.6)	0.7	(—)
Lonrho	Sept.	119,100	(78,200)	19.4	(16.1)	10.0	(7.32)
Prestige Group	Dec.	5,670	(6,170)	19.2	(20.3)	6.88	(6.88)
Trust Securities	Nov.	677	(413)	40.7	(24.8)	—	(—)
Yrksh. Fine Wool	Dec.	201L	(56)L	—	(2.1)	—	(0.5)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Apex Properties	Sept.	363	(335)	0.7	(0.7)
Baldwin (H. J.)	Oct.	156	(179)	—	(—)
Benn Brothers	Dec.	360	(488)	1.1	(1.1)
Christie Tyler	Oct.	445L	(1,610)	1.0	(2.0)
Cowan De Groot	Oct.	840	(1,280)	1.0	(1.0)
Hillards	Nov.	1,730	(1,340)	1.5	(1.25)
McKay Securities	Sept.	535	(460)	1.35	(1.01)
Mining Supplies	Oct.	2,370	(550)	—	(—)
ML Holdings	Sept.	442	(374)	2.0	(2.0)
Ratcliffe (F. S.)	Oct.	90L	(83)	—	(1.0)
Regional Props.	Sept.	924	(694)	0.75	(0.65)
Sommerville (W.)	Nov.	43L	(171)	0.55	(0.55)
Steinberg Group	Sept.	372L	(194)	0.01	(0.32)
UDT	Dec.	3,000	(7,900)	—	(—)
Unitech	Nov.	2,390	(1,990)	2.52	(2.1)
Vibroplant	Sept.	1,360	(2,070)	5.25	(5.25)

(Figures in parentheses are for corresponding period.)
* Dividends shown net except where otherwise stated. † Profit after tax. L Loss.

Scrip Issues

African Lakes—One for ten.

Offers for sale, placings and introductions

British Aerospace—The government is offering between 96.8m shares and 100m shares, depending on how many are taken up by BA employees, at 150p per share.

Unit labour costs up by 15% average

By David Marsh

UNIT LABOUR costs in Britain during the last few years have been rising at more than double the rate of those in other industrialised countries, according to this week's edition of "British Business," the magazine of the Departments of Industry and Trade.

In the year to the first quarter of 1980, unit costs had been rising by 18 per cent in the UK against 7½ per cent in the U.S. and France and a fall of 4 per cent in Japan. The figures were originally given in a written Parliamentary answer last month.

During the last three years, unit labour costs in Britain had risen by an average of 15 per cent a year, against 6½ per cent in the U.S., 7 per cent in France, 3 per cent in West Germany and a fall of 3 per cent in Japan.

There was far less divergence in the rates of increase of output prices for manufactured goods, indicating that foreign companies have had far higher *profit margins.*

In the year to the first quarter of 1980, these prices had been rising at 18 per cent in the UK against 18 per cent in the U.S., 17 per cent in Japan, 15 per cent in France and 8 per cent in West Germany.

Pilkington backs scheme to help young unemployed

BY RHYS DAVID

A SCHEME to help unemployed young people is to be launched in St. Helens in September with strong support from Pilkington Brothers, the glass company.

The aim of the scheme, which has taken two years to prepare, is to bridge the gap that can exist between school leaving at 16 and adult employment at 18. Existing youth opportunities programme schemes for the young employed last only a year so that some are frequently left idle after completing a course and may fail to make the transition into adult jobs.

The St. Helens scheme—known as Industrial Experience Projects (INDEX)—will draw on the services of more than 50 companies in the town, which will provide opportunities for young people recruited for the scheme.

It will provide an initial intake of about 50 young people with a basic induction course.

The participants will then be sent to one of the companies in the scheme before returning for training in another job and further in-company experience. The companies taking part have given informal commitments to recruit from among the young people they receive so it is hoped all those on the scheme will be regularly employed by the age of 18.

The scheme has been given an initial launch capital of £50,000 by Pilkington and a further £20,000 by the Rainford Trust, and is also hoping to draw on funds from the Manpower Services Commission and the European Social Fund. Extensive negotiations have taken place with the commission, which has so far indicated that it will not be able to go outside its limits which restrict the allowances it can give individuals on work experience schemes to a maximum in each case of 12 months.

Index is still hoping that the *commission can be persuaded* to take a more imaginative approach and make money available to support individuals for possibly up to 18 months, reducing the amount that will have to be found from within the community.

The local authority has agreed to provide assistance and approaches are also being made to major industrial companies and charities. The trade unions in St. Helens have backed the scheme and have nominated two directors for the Board of the company which will run the scheme.

Talks with European Social Fund officials were held in Brussels last month and these are due to be resumed shortly in St. Helens. The project is the latest in a series of self-help initiatives developed in St. Helens where unemployment—largely as a result of increased automation in the glass industry—*is running at more than 13* per cent.

The St. Helens Trust, which brings employers, unions and local authorities together with the aim of helping small businesses to start has created 600 jobs in the past three years with another 600 in the pipeline. Rainford Venture Capital, a Pilkington's subsidiary will also shortly be announcing its first investment in new companies in the town.

With fewer jobs becoming available to school-leavers in the still dominant glass industry and in other sectors affected by recession, youth unemployment is at crisis levels in the town. The Careers Service which handles young people between 16-18 looking for a job has about 1,500 on its books, out of an annual school leaver population of about 2,500.

Mr. Dennis Oliver, a Pilkington director who is the chairman of INDEX, said its task will be to replace paid unemployment, which produces dissatisfaction with the productive sector, with a two year learning bridge to prepare young people for adult working life and provide training and experience of at least two different types of job.

Government must keep its nerve, says Hailsham

THE GOVERNMENT must keep its nerve and stick to its policies, Lord Hailsham, the Lord Chancellor, said yesterday.

It would be unforgiveable if they changed course in mid-term just as those policies were starting to work, he said.

He told a European conference lunch at Solihull, West Midlands, that something of a clinical professional approach was needed.

"It is no use shedding glycerine tears over the educational needs of the child, the anxieties of the unemployed, suffering of the sick, the old and the disabled."

"We need to help them and we shall not help them if we express deep sympathy and attempt to solve our evils by printing money."

Lord Hailsham said it was no good demanding high wage settlements in the public sector on Monday, demonstrating against cuts in services on Tuesday, wanting the Government to defending restrictive practices in industry on Thursday, spend £6 billion on Wednesday, demanding exit from the EEC on Friday, seeking help for the Third World on Saturday and *asking for total disarmament on* Sunday.

"Hypocrisy consists in inconsistency in your total attitudes and not in the amount of glycerine tears you shed, and sincerity may consist in applying unpalatable remedies."

It was always hard for a party *or a nation to keep its nerve.* But, said Lord Hailsham, it would be unforgiveable in the Conservative Party, fatal to Britain and disastrous for Europe if the Government deserted their coherent package of policies.

"We sometimes say there is no alternative to our policy. Unfortunately there is an alternative. It is a return to inflation, a relapse into drift and another dose of sentimentality rather than an honest and coherent effort to solve our problems."

Cigarette industry 'selling at loss'

MANY CIGARETTE brands still sell at a loss for both producers and retailers, despite the recent hefty price increases, said Mr. Colin Mitchell, tobacco industry analyst for Buckmaster and Moore, in his industry review. Renewed price competition for cigarettes has forced the industry into selling at a loss, he says.

Mr. Mitchell suggests that cigarettes sold through some supermarkets and off-licence chains, where the competition is fiercest, incur a loss of 0.6p per packet for both producer and retailer. Selling at a loss will reduce consumer choice, he says.

CORAL INDEX: Close 478-483 (+9)

LONDON TRADED OPTIONS

(Feb. 6 Total contracts 1593)

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	360	58	2	—	—	—	—	408p
BP	390	38	—	56	1	70	—	"
BP	420	19	12	40	—	54	—	"
Com. Union	130	27	—	30	—	34	20	155p
Com. Union	140	18	8	21	5	26	—	"
Com. Union	160	8	44	10	15	13	5	"
Cons. Gold	420	42	7	52	—	65	—	425p
Cons. Gold	460	25	3	32	3	45	—	"
Cons. Gold	488	15	15	—	—	—	—	"
Cons. Gold	550	—	—	8	—	12	10	"
Courtaulds	50	9½	—	13½	—	15	10	55p
Courtaulds	60	3½	25	8½	100	9½	50	"
GEC	460	175	1	—	—	—	—	628p
GEC	550	85	—	115	9	157	—	"
GEC	600	48	27	75	1	102	1	"
GEC	650	21	11	47	—	72	1	"
Grand Met.	140	29	12	36	—	39	—	167p
Grand Met.	160	10½	—	18	10	25	4	"
Grand Met.	180	4	100	9	—	12	—	"
ICI	280	28	10	44	—	58	—	294p
ICI	300	17	11	30	2	38	2	"
ICI	360	2½	—	7	10	—	—	"
Land Sec.	360	45	17	58	—	69	—	394p
Land Sec.	390	24	31	37	2	49	—	"
Land Sec.	420	9	71	23	—	—	—	"
Marks & Sp.	110	19	5	26	—	29	—	125p
Marks & Sp.	120	9½	9	16½	—	22	—	"
Marks & Sp.	130	5	—	9½	5	14½	10	"
Shell	800	5	5	12	—	—	—	424p
Totals			426		165		113	
		February		May		August		
Barclays B'k	460	½	15	4	—	10	—	380p
Imperial Gp.	70	11	10	11	—	14	—	80p
Imperial Gp.	80	3	3	6	12	6½	—	"
Lasmo	700	3	5	42	—	70	2	654p
Lasmo	800	½	—	16	—	23	5	"
Lonrho	74	28	1	—	—	—	—	107p
Lonrho	90	—	—	18½	76	2½	—	"
Lonrho	94	8	9	—	—	—	—	"
Lonrho	100	—	—	11	219	14½	42	"
Lonrho	104	2½	209	—	—	—	—	"
Lonrho	110	—	—	5½	203	10	17	"
Lonrho	120	¼	—	3	—	5	10	"
P. & O.	120	3	2	9	1	13½	—	117p
Racal Elec.	300	33	30	50	—	63	1	332p
Racal Elec.	330	10	12	31	1	48	—	"
RTZ	390	—	—	22	4	38	—	370p
RTZ	454	½	—	8	1	—	—	"
RTZ	494	½	—	3	1	—	—	"
Totals			298		518		77	

APPOINTMENTS

Senior Heron post for Peter Reynolds

Mr. Peter Reynolds, a director of Heron Corporation and the *National Insurance and Guarantee Corporation*, has been appointed chairman and managing director of H. R. OWEN from February 9.

Heron Motor Group states that following the appointment of Mr. Harry Cressman as its managing director, his management plans incorporate the separation of those companies which are predominantly volume-orientated and trade under the name of Heron from the London specialist Rolls-Royce distribution company trading as *H. R. Owen.*

★

Mr. Alan Brown has resigned from the Board of BRICKHOUSE DUDLEY for health reasons. Mr. A. L. Wall, commercial director, takes over executive responsibility for control and operation of the drainage castings companies.

★

Mr. A. E. Simpson has been appointed chief executive of the GKN Fastener Products Division as successor to Mr. Alex Laker, *who is retiring on March 31.*

★

Mr. J. C. Spanswick and Mr. R. Taylor have joined the Board of BOVIS CONSTRUCTION as an operations director and head of engineering services, respectively.

★

Mr. T. C. Harris has been appointed managing director of EARLS COURT and of OLYMPIA, the two hall-owning companies within the Earls Court and Olympia Exhibitions Group.

★

Mr. L. C. Booth, Mr. A. L. Lunn and Mr. A. Muntzer have been appointed to the Board of DAVENPORTS BREWERY (HOLDINGS).

★

Mr. Tom Sooke has been appointed to the Board of M. J. H. NIGHTINGALE & CO. He was previously assistant director (corporate finance).

★

Mr. P. B. S. Johnson has been appointed a director of JOHNSON GROUP CLEANERS.

★

Mr. H. A. Stacey has been appointed design and marketing manager of ELECTRICAL SYSTEMS, a subsidiary of the Moss Engineering Group. He was formerly managing director of H. A. Stacey, which was recently acquired by Moss Engineering Group.

★

Sir Adrian Cadbury (chairman, Cadbury Schweppes) is to succeed Mr. A. C. Emmerson (vice-chairman, UK National Management, Unilever) as chairman of the FOOD AND DRINK INDUSTRIES COUNCIL. Mr. J. P. U. Burr (director, Bass *and president of the Common* Market Brewers' Council), will become deputy chairman of the FDIC in place of Mr. F. O. A. G. Bennett (former chairman of Whitbread and Co.). The changes come into effect on April 1.

★

Mr. Colin Gill has been appointed a director and general manager of FAIREY NUCLEAR, a member of the Fairey Holdings group.

★

Mr. C. H. Black has been appointed investment managing director of GLOBE INVESTMENT TRUST.

★

Mr. Derek Kendall-Smith, an associated director of MAPPIN AND WEBB, has been appointed to the main group board.

★

Mr. Peter Jones, managing director of SAPA, has taken over as chairman of the ALUMINIUM EXTRUDERS ASSOCIATION COUNCIL.

★

Mr. D. A. Whiting has been appointed chairman of COMFIN (COMMODITY & FINANCE) COMPANY in succession to the late M. Maurice Varsano. Mr. R. Holland becomes deputy chairman and Mr. Max Benhamou and M. Jacques Bachelier join the Board.

★

Mr. Peter H. Hickson and Mr. Robert S. Austin have been appointed to the Board of HOULDER OFFSHORE, a member of the Furness Withy Group.

★

Mr. Peter H. Redhead has been appointed assistant director of BRITISH LINEN BANK.

★

Mr. P. J. G. Elwes, a director of Kleinwort Benson, has been appointed a director of T.R. ENERGY, a member of the Touche Remnant management group.

★

Mr. G. A. Banks has been appointed deputy managing director of QUALTER HALL AND CO., *a member of the* Matthew Hall group. He will continue to be responsible for the company's sales and marketing.

★

Mr. Paul Carter has been appointed sales and marketing director and Mr. Bob Jones, technical director, of GENERAL DATACOMM (UK).

★

Mr. Hugh Saunders, having reached retirement age, has resigned as chairman of SAPHIER LERNER SCHINDLER but remains a director. Mr. Lawrence Lerner, chairman, president and founder of the *Environetics Group (of which* Saphier Lerner Schindler is the UK representative) will assume the office of chairman on an interim basis.

★

Mr. Roger Silvers has been appointed technical director of JOHNE AND REILHOFER (UK) of Harpenden.

★

Mr. Hugh Wickes has been appointed marketing director in the UK of FABERGE.

★

Mr. James H. Boxall has been appointed assistant general manager (information services) of the GENERAL ACCIDENT FIRE AND LIFE ASSURANCE CORPORATION.

★

The First Lord of the Treasury has appointed Miss Bridget Riley and Mr. John Baring as trustees of the NATIONAL GALLERY to fill vacancies created by the retirement of Professor John Hale and Lord Poole.

★

Mr. Friedrich Burian has become vice-president at the NORTHERN TRUST COMPANY, London branch, in charge of corporate business development in Europe.

★

Mr. Malcolm H. Smyth has been apointed chairman of A. C. NIELSEN COMPANY, of Oxford, and continues as managing director.

★

Mr. Peter Gwilliam is joining STANDARD CHARTERED BANK *from Continental Illinois* at the end of this month to take up a new post of assistant general manager as the deputy head of the bank's international division.

★

Mr. Francis Essex has relinquished his responsibilities to ATV NETWORK as director of production to allow the new team preparation time for programming to be transmitted by the franchise company commencing in the East and West Midlands at the beginning of next year. *He will remain* a director of ATV Network.

★

Mr. F. F. Fisher, Principal of Wolsey Hall, Oxford, has joined the Board of ECCLESIASTICAL INSURANCE OFFICE as an additional director.

★

ANTONY GIBBS HOLDINGS, a member of the Hongkong Bank Group, states that Mr. Guy Croft is to be the new chief executive of Antony Gibbs Investment and unit trust companies. Mr. Graham Puttergill is now the chief executive of both the pensions and financial services companies.

★

Mr. Eric Argent is retiring from his full-time executive duties as joint general manager and secretary of ANGLIA BUILDING SOCIETY but remains on the board.

Mr. John Solbett, a director of HUMPHREYS AND GLASGOW, is leaving the company to practise on his own as a chemical engineering consultant.

★

Mr. Roy Cresswell has been appointed managing director of *the newly-formed company* O.H. HI-TEC, a member of the Weir Group.

★

Mr. D. E. Church, secretary of BILLITON (UK), has joined the board of the company with the additional responsibility for its newly-created lead and solder division. Mr. D. M. Fraser has also been appointed to the board as director of personnel and administration.

★

Mr. H. Kuiper, deputy managing director of DAKS-Simpson, has been appointed a director of S. SIMPSON, the parent company. Mr. Stephen Rose is now managing director of DAKS-Simpson. Mr. Joseph Guzzan has retired as joint managing director and from the board of DAKS-Simpson and also from DAKS-Simpson (Womenswear). He continues as a director of S. Simpson and as managing director of Activon.

★

BRITISH CALEDONIAN has appointed Mr. David Coltman to the new position of deputy marketing director, effective from March 1. He joins that concern from British Airways, where he was general manager market development.

★

Mr. M. J. H. Brade and Mr. P. R. Meinertzhagen have joined the board of HOARE GOVETT.

★

Mr. Derek A. J. Randall, at present managing director of the Miln Masters Group at Kings Lynn, has joined the Board of member company SUTTON SEEDS as a non-executive director. The companies are part of the Cardo Group.

★

Mr. A. P. McMullen has joined the main Board of COMMON BROTHERS.

★

The ROYAL BANK OF CANADA (LONDON) has made the following appointments: Mr. Pieter C. Hooft, associate director, international capital markets, and Mr. R. H. Wood, associate director, Eurobond dealing and sales.

CONTRACTS

£4m heating and ventilating system at Windscale

HALL AND KAY ENGINEERING, Ashton-under-Lyne, has a contract from British Nuclear Fuels, worth about £4m, for the manufacture, installation and commissioning of a heating and ventilating system to serve No. 5 pond at the Windscale Works. More than 900 tons of metal ducting ranging in size from 150mm x 150mm up to 3.7m x 5m will be used. Hall and Kay Engineering is a Staveley Industries company.

★

COMA SHEET METAL COMPANY, Rayleigh, has contracts worth over £1m from GEC Mechanical Handling and Sperry Gyroscope for over 400 Post Office sorting and pre-sorting machine frames.

★

The first production order for the TMC (division of Philips Business Systems), short duration announcer has been placed by British Telecom. Worth over £300.000 the order provides for a number of systems to be installed in main telephone exchanges throughout the UK. The systems are based on solid-state storage of speech in digital form, and each provides for any recorded announcement from half-second to 32-second duration in half-second increments.

★

DETECTION INSTRUMENTS (PROJECTS) has a £93,000 order from Matthew Hall Mechanical Services for the supply of Schreiner Safety Engineering HRD System for the Mossmoran and Braefoot Bay Projects. The system is based on continuous sampling of air from the risk area and detecting for conventional smoke or precombustion products or, for, HCL (down to aproximately 10 ppm) given off by overheated PVC cables.

★

The National Coal Board has awarded a contract to LIFE SUPPORT ENGINEERING, Storrington, to design a new mines rescue self-contained closed circuit compressed oxygen type breathing apparatus. The contract is worth about £75,000.

★

A Japanese financial organisation has placed an order with INTERNATIONAL COMPUTERS for a ME29 computer and associated software valued at £87,000. The order has been placed by Japan International Bank which is owned by a *consortium of seven of the leading* banks and security organisations in Japan.

★

Loewy Robertson Engineering Company, Poole, a Davy Corporation company has awarded a contract worth over £65,000 to PETER BROTHERHOOD, Peterborough, for the manufacture of a slitting machine for a steel plant in Yugoslavia.

★

A contract valued at over THORN AUTOMATION, Rugele £500,000 has been awarded to THORN AUTOMATION, Rugeley, by the Post Office Corporation, for micro-processor based sorting equipment. The contract is for 24-code sort translators and 29-coding desk concentrators and ancillary modules to be used in modernising and replacing mechanised postal code sorting equipment throughout the country. The first items are due for delivery in November.

★

One of the UK's private breweries, Marston, Thompson and Evershed, has placed an order with BURROUGHS MACHINES for a B5900 entry level large system computer and distribution information system software package, both of which will combine to give the brewery an advanced on-line distribution system. The order is worth over £420,000.

★

In a deal worth close to £400,000, plant hirer Vibroplant is taking delivery of a range of JLG telescopic and scissor configuration aerial work platforms.

★

Intelligent interface systems for the acquisition and logging of survey data for the North Sea offshore oil industry have been ordered by Gardline Surveys from HURST EQUIPMENT.

★

When Marathon's Oil South Brae offshore field comes on-stream in 1983, the platform-to-mainland link will be established using a tropospheric scatter system provided by MARCONI COMMUNICATIONS SYSTEMS, a GEC-Marconi Electronics company. *Two sets of* tropospheric scatter equipment will be installed aboard Brae platform. One will link with the British Telecom shore-station at Mormond Hill, Aberdeenshire, while the other connects with Phillips Petroleum's Maureen platform some 50 miles to the south.

★

EASAMS LIMITED (a GEC-Marconi company) has been awarded a contract by the Ministry of Defence to study methods of defining the fighting characteristics of warships and how these are achieved.

★

The Training Services Division of the Manpower Services Commission has ordered 35 Reality mini-computer management information systems from Hemel Hempstead manufacturer COMPUTER MACHINERY COMPANY.

SPAIN

February 6	Price %	+ or —
Banco Bilbao	280	+6
Banco Central	324	+4
Banco Exterior	252	
Banco Hispano	265	+3
Banco Ind. Cat.	123	+1
Banco Madrid	141	
Banco Santander	329	+4
Banco Urquijo	171	+3
Banco Vizcaya	303	+4
Banco Zaragoza	226	+6
Dragados	115	—2
Espanola Zinc	48	
Fecsa	57.2	—0.3
Gal. Preciados	34.5	+0.5
Hidrola	65.7	+0.7
Iberduero	58	
Petroleos	81.2	—2.5
Petroliber	75	
Sogefisa	102	
Telefonica	61	—0.2
Union Elect.	63.7	+0.2

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex: 16527 Tel: 276 796
Birmingham: George Hse., George Rd., B15 1PG Telex: 338650 Tel: 021-454 0922
Bonn: Presshaus 11/104 Heussallee 2-10. Telex: 8869542 Tel: 210039
Brussels: 39 Rue Ducale. Telex: 23283 Fax: 512 1404 Tel: 512 9037
Cairo: P.O. Box 2040. Tel: 938510
Dublin: 25 South Frederick St., Dublin 2. Telex: 25414 Tel: Dublin 603378
Edinburgh: 37 George Street, EH2 2HN Telex: 72484 Tel: 031-226 4120
Frankfurt: Frankenallee 71-81 Telex: 416052 Tel: 7598 234
Johannesburg: P.O. Box 2128 Telex: 8-6257 Tel: 838-7545
Lisbon: Praca de Alegria 58-1D, Lisbon 2. Telex: 12533 Tel: 362 508
Madrid: Espronceda 32, Madrid 3. Tel: 441 6772
Manchester: Queen's Hse., Queen St., M2 5HT Telex: 666813 Tel: 061-834 9381
Mexico City: Paseo de la Reforma 122-10, Mexico Tel: 53513-68
Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex: 7900 Tel: 243 1635
New York: 75 Rockefeller Plaza, N.Y. 10019. Telex: 66390 Tel: (212) 541 4625
Paris: Centre d'Affaires Le Louvre, 168 Rue de Rivoli, 75044, Paris Cedex 01 Telex: 220044 Tel: 297 2000
Rome: Via della Mercede 55. Telex: 610032 Tel: 678 3314
Stockholm: c/o Svenska Dagbladet, Raalambsvagen 7. Telex: 17603 Tel: 50 60 88
Tokyo: 8th Floor, Nihon Keizai Shimbun *Building, 1-9-5 Otemachi, Chiyoda-ku.* Fax: 245 0358 Tel: 241 2920
Washington: 914 National Press Building, Washington D.C. 20045 Telex: 440340 Tel: (202) 347 8676

ADVERTISEMENT OFFICES

Birmingham: George House, George Road. Telex: 338650 Tel: 021-454 0922
Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4139
Leeds: Permanent House, The Headrow. Tel: 0532 454969
Manchester: Queen's House, Queen Street. Telex: 666813 Tel: 061-834 9381
Frankfurt: Frankenallee 68-72. Telex: 416193 Tel: 7598 1
New York: 75 Rockefeller Plaza, N.Y. 10019. Telex: 238409 Tel: (212) 489 8300
Paris: Centre d'Affaires Le Louvre, 168 Rue de Rivoli, 75044, Paris Cedex 01 Telex: 220044 Tel: 297 2000
Tokyo: Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex: J27104 Tel: 295 4050

Overseas advertisement representatives in Central and South America, Africa, the Middle East, Asia and the Far East

For further details, please contact: Overseas Advertisement Department, Financial Times, Bracken House, 10, Cannon Street, London EC4P 4BY

SUBSCRIPTIONS

Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription departments: Financial Times in London (tel: 01-623 1211), Frankfurt, New York and Paris

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

WORLD STOCK MARKETS

Dow up 9 on prime rate hopes

GROWING HOPE for a gradual decline in interest rates helped Wall Street move higher in moderate trading yesterday.

By 1 pm the Dow Jones Industrial Average was up 9.30 to 956.06, for a net rise of 8.79 on the week, while the NYSE All Common Index, at $74.97, rose 66 cents on the day and 70 cents on the week. Advances led declines by an eight-to-five majority in a volume of 31.9m (32.4m) shares.

Morgan Guaranty Trust cut its Broker Loan rate to 18½ per cent from 19 per cent. Changes in the Broker Loan rate often precede *changes in the Prime* Rate. Earlier in the week, most major Banks, including Morgan, cut their Prime Rates to 19½ per cent from 20 per cent. Yesterday morning Citibank held its Prime Rate at 19½ per cent but will review it again on Tuesday.

Analysts also said investors were pleased with the tone of President Reagan's speech on National *Television last night*, although he will not announce the substance of his economic proposals until February 18.

Two bellwether issues continued to provide good leadership for the market. **General Motors** gained $¾ to $48¾ and **American Telephone** $¾ to $52½, both in active trading.

GM has been rising since saying it thought its return to profitability in the fourth quarter would continue in 1981. **ATT** has been benefiting from expectations of an imminent settlement of the Justice Department's antitrust suit.

Energy, Defense, and High Technology issues were also firm after being weak for a while.

Active **Exxon** *tacked on* $½ at $75¾, **Superior Oil** $7¾ at $197¾, **IBM** $½ at $64¾, **Honeywell** $1¾ at $101, **Litton Industries** $1 at $75¾ and **Raytheon** $1¾ at $96¾.

A number of Energy issues were benefiting from talk in Washington of a speed up of decontrol of Natural Gas prices.

THE AMERICAN SE Market Value Index gained 5.30 to 347.48, for a net rise of 2.45 on the week. Volume 3.68m (3.01m) shares.

Volume leader **Gulf Canada** rose $1½ to $21¾, **Felmont Oil** $1 to $42¼, **Hudson's Bay Oil** $1 to $21 and **Petro-Lewis** $1½ to $29¼.

Wang Laboratories "B" advanced $1¾ to $38½ and **Data Access** $1½ to $20¾.

Canada

Markets maintained a strong advance in active noon trading yesterday, when the Toronto Composite Index was up 12.6 at 2,244.6.

The Oil and Gas Index moved up 55.2 to 4,514.1. Metals and Minerals 13.3 to 2,200.8 and Golds 89.1 to 4,187.8.

Texasgulf rose $¼ to $60¼ on a stock split and dividend increase.

Australia

Prices again firmed slightly. **Woodside Petroleum** announced the size and terms of its capital raising for A$175m with a one-for-four rights issue at A$1.75. This is slightly dearer than expected and the shares, already under some pressure, were marked down a further 15 cents to A$2.55.

BHP shed 5 cents to A$13.55—it is committed to more than half the Woodside issue.

Apart from Woodside, the Oil sector was in fair shape.

Apart from Woodside, the Oil sector was in fair shape.

Golds moved erratically with the main loser being **Central Norseman**, off 30 cents at A$7.10, whose interim profit was not up to market expectations.

Western Mining fell 12 cents to A$4.63, despite reporting a 27.7 per cent lift in earnings for *the half year*.

Tins moved up well on the higher London Metal price, while Base Metal leaders were firm. Uraniums found good support.

Banks turned mixed, but Retailers continued to forge ahead on the good December figures.

Stronger groups were Foods, Builders and Building Materials.

Tokyo

Share prices fell under the pressure of sporadic profit-taking, with many investors fearing a possible margin trading tightening. Volume 300m shares.

Scattered selling weighed down many issues but Drugs, Chemicals and a few incentive-backed issues were higher on selective bargain hunting.

Natural Resources, "large" Capitals, Non Ferrous Metals and Motors declined, with **Arabian Oil** down Y120 at Y3,230 and **Mitsui Mining** Y17 at Y761.

Machine Tools eased after initial firmness, but **Okuma Machinery** added Y27 at Y875.

Tanabe Pharmaceutical rose Y53 to Y853, **Shionogi Pharmaceutical** Y34 to Y744 and **Morinaga Milk Product** Y26 to Y427.

"High-priced" Electricals also kept initial gains.

Switzerland

Swiss shares held steady apart from Chemicals, which continued to firm in an active market.

With the Franc's depreciation against the Dollar, Foreign investors have returned to the Swiss Share Market, where leading Industrials have become more attractive to them.

Unofficially quoted **Hoffmann-La Roche** firmed Frs 175 to 7,350.

Banks were a little harder, except lower **Union Bank**. **Bank Leu** held unchanged after it reported higher net profit and *proposed a capital increase*.

Insurances showed small gains in a rising turnover.

Foreign and Domestic Bonds were little changed in quiet trading.

In the Foreign sector, Dollar stocks traded around overnight New York close on increased volume, buoyed by resurging investor demand.

Small gains predominated in **Dutch Internationals** while, in **South African Mining Financials**, **Amgold** and **Anglo American Corporation** posted strong gains.

Germany

Leading share prices closed mostly weaker, depressed by the mark's struggle on Foreign Exchanges, **Dresdner Bank's** announcement of a dividend cut and an absence of foreign buying interest.

The depression on the Domestic Bond Market also spilled over into equities.

Dresdner Bank fell DM 3.5 to DM 158.50, and it could continue weaker when smaller investors react to the DM 3 cut in dividend.

The Domestic Bond Market was extremely weak, with Public Authority stock losing up to two full points and the Bundesbank buying DM 24.3m of stock, as yields on short-term Bonds breached the 10 per cent barrier.

Mark Eurobonds were also weak.

Options, prices and turnover were steady, with operators seeking three-month Calls on **AEG**, **Conti**, **Hoesch** and **Dresdner Bank**.

Paris

Firmer in quiet pre-weekend trading with no major new factors apparent.

Foods and Stores led the trend, with **Carrefour** adding *FFr 20 at FFr 1,721*.

Other firmer sectors included Motors, Constructions, and Oils.

Engineerings, Metals and Chemicals tended steady to firm, while Electricals and Banks were mixed. Portfolios edged lower.

Foreign stocks were generally steady, although Americans and Gold Mines gained ground.

Amsterdam

Mainly higher, with **Hoogovens & Akzo** firm.

Banks firmed, with **ABN** up Fl 3.20 to 278.0 and, in firmer Investment Funds, **Robeco** added Fl5 at 219 and **Rolinco** Fl 2.80 to 215.5. Publisher **Elsevier** moved up Fl 3.2 to 148. **Dutch Ford** were bid 10 higher.

State Loans were lower.

Turnover on the European Options Exchange totalled 2,643 contracts, comprising 2,215 Calls and 428 Puts. **Philips** the most active with 968 contracts, followed by **Royal Dutch** with 480.

Milan

Shares closed mixed in diminished trading.

Late selling erased many initial gains but **Olivetti**, **Anic**, **Centrale** and **Generali** each finished with gains.

Closing prices for North America were not available for this edition.

INTERNATIONAL COMPANIES and FINANCE

INVESTORS HOPE FOR HIGHER DIVIDEND

Sharp upturn in Olivetti's earnings

BY RUPERT CORNWELL IN ROME

OLIVETTI, the leading Italian office equipment and electronics group, managed to triple group operating profits to more than L100bn ($100m) last year, according to Sig. Carlo de Benedetti, the company's chief executive.

These preliminary figures, given in a lengthy interview with the Milan Press, will lead to hopes of an increased dividend payment for 1980 from the L100 per share distributed in 1979. Speculative buying pushed up the company's stock in Milan yesterday by more than 7 per cent.

Sig. de Benedetti estimated that parent company net earnings for last year climbed to L40bn from L23.8bn in 1979, and rose at a group level from L37.3bn to in excess of L100bn. Parent company sales rose from L903bn to L1,102bn, while group turnover jumped almost 18 per cent to L2,183bn.

Sig. de Benedetti gave further evidence of the transformation carried out since he took over a struggling Olivetti three years ago. Between 1978 and 1980 group research spending climbed to L73bn a year from L47bn, while fixed investments jumped from L55bn to L130bn.

Over the past five years the group's workforce has been cut from almost 71,000 in 1975 to 53,500 by last year. Partly as a result, sales per employee had risen from L24m in 1978 to L40m by 1980, although productivity was still below the level of its competitors.

This improvement has been accompanied by a similar upturn in the financial position of the group. The planned capital increase and bond issue, which will bring in around L180bn of fresh capital, will contribute to an anticipated increase in Olivetti's own resources to about L700bn by the end of this year, from L450bn at end-1980, and L155bn in 1978.

The group is forecasting that net consolidated indebtedness will have fallen by the end of this year to L650bn from L776bn in 1980, and L935bn in 1978.

Sig. de Benedetti confirmed Olivetti's aim of boosting its business in the telecommunications sector, especially in the development of new switching technology. But he poured cold water on talk of a deal whereby Olivetti would take a stake in Italtel, the main manufacturing subsidiary of the state-controlled IRI-Stet telecommunications concern. Italtel's losses (reputed to be running at about L150bn a year) were too great a burden, Sig. de Benedetti declared.

However, an agreement has been readied for Olivetti to take a 49 per cent interest in SGS-ATES, another equipment supplier and subsidiary of Stet.

Woodside plans A$175m rights issue

By James Forth in Sydney

WOODSIDE PETROLEUM, the major partner in the Australian North West Shelf liquefied natural gas (LNG) project, is seeking A$175m (U.S.$205m) from a rights issue to shareholders—fresh from its U.S.$1.4bn syndicated project finance loan, signed last week.

The shares will be offered on the basis of one for each four held at an issue price of A$1.75. Woodside shares closed yesterday at A$2.55, giving the rights a theoretical value of 64 cents. Woodside's major shareholders, Broken Hill Pty., and Shell, with 42.7 per cent of the capital will take up their full entitlement totalling A$74.7m.

The remainder will be jointly underwritten by two sharebroking companies, Potter Partners and May and Mellor. Woodside directors said that the issue would broaden the company's capital base and provide funds for continuing exploration and general purposes.

It would assist efforts in reaching a formal decision whether to proceed with the LNG stage of the Shelf project and provide flexibility for possible pre-investment in LNG facilities ahead of the project decision.

The issue will be payable 75 cents on application by April 7 and the balance of A$1.00 a share "as and when called up." It is proposed to make a call of this balance payable in October. Alternatively shareholders can pay the full A$1.75 on application.

Share offer and reduced payment from Dresdner

DRESDNER BANK, the second largest German commercial bank, is planning to raise DM 275m ($128m) through a one-for-eight rights issue aimed at bolstering its capital base to accommodate future expansion.

The issue, the first equity capital increase by one of the big three German banks since 1979, comes even though the bank's share price has been languishing near a six-year low of DM 161, underlining the bank's need for additional equity. The new shares are priced at DM 125.

Dresdner also confirmed that it is to cut its dividend for 1980, by announcing a reduction from DM 9 per share to DM 6 per share, a move which will cut the cost of servicing the increased capital base and also increase the bank's ability to generate equity internally.

Commerzbank, the third largest German bank, was forced to omit its dividend altogether for 1980.

The profitability of the German banking industry has been under heavy pressure for the past two years, and this has checked their ability to increase capital from earnings. Some banks, including Dresdner, have been curbing the growth of their German operations.

There are strict capital ratio laws in Germany which have been forcing their banks to adjust their business strategies in order to make their capital resources stretch further.

Moreover, there is the prospect of new legislation which would in effect extend capital adequacy laws, in some form, to their overseas subsidiaries, in effect requiring the banks to have bigger capital bases. This is thought to be one factor which has encouraged some banks to announce rights issues.

Dresdner itself has also in the past two months sold substantial blocks of shares in two major German companies, Kaufhof and Metallgesellschaft, sales which have brought in in excess of DM 300m. Part of this will have strengthened the bank's internal reserves.

Of the big three German commercial banks, Dresdner has gone longest without issuing capital. It last came to its shareholders for funds in 1976 with a one-for-six issue, raising DM 150.

Advance at Rothmans Australia

By Our Sydney Correspondent

ROTHMANS of Pall Mall (Australia) raised its profit by 80 per cent, from A$4.08m to a record A$7.36m (U.S.$8.7m) in the December half-year. The directors expect the good trading to be maintained in the second half.

The interim dividend is raised from 10 cents a share to 15 cents, which is well covered by earnings a share, which are up from 30 cents to 54 cents.

Sales for the half rose 12 per cent from A$230m to A$257m. The principal factor contributing to the sales rise was a further growth in the volume of Australian cigarette sales.

The directors said the buoyant trend in sales and profits showed encouraging signs of continuing in the current half.

UK brewer sells stake in Tooth

BY JAMES FORTH IN SYDNEY

THE STRUGGLE for control of Tooth and Company, the New South Wales brewer, has taken a new turn with Allied Breweries of the UK selling its recently acquired stake in Tooth to Tooths' rival brewer, Castlemaine Tooheys. Allied is the major shareholder in Castlemaine Tooheys with 14.9 per cent of the capital.

Castlemaine Tooheys now holds 20.8 per cent of Tooth acquired at a cost of about $A40m (U.S.$47m). This makes it the second largest shareholder, slightly behind the Adelaide Steamship offshoot, DJ's Properties, which built up 23.9 per cent of Tooth late last year in a buying contest with the Allied-Castlemaine camp.

Adelaide Steamship is one of the most aggressively acquisitive companies on the exchange lists, and recently gained control of the retail group, David Jones and its associate DJ's Properties, through a similar market raid. Another corporate takeover specialist, Industrial Equity Ltd (IEL) joined in the fray over Tooth and holds just over 10 per cent of the capital.

The Tooth directors responded by allowing one representative each from DJ's Properties and IEL onto the Tooth board, but Castlemaine Tooheys does not plan to seek board representation at Tooth. It is doubtful that it could do so, because of trade practice implications.

Castlemaine Tooheys obtained advice from senior counsel on the trade practice position before increasing its Tooth stake, and was advised that it could purchase the Allied parcel because the DJ's properties and IEL holdings ensured that it would not thus gain control. Allied bought the 11.6 per cent of Tooth through a subsidiary, Cabezon Pty, for A$23.9m, and Castlemaine Tooheys acquired Cabezon for the same amount. Castlemaine Tooheys is prevented by the trade practices legislation from bidding outright for Tooth, because it would create a monopoly in New South Wales.

Cii asks for more state cash

BY TERRY DODSWORTH IN PARIS

ONLY A year after the conclusion of its government-backed FFr 12.bn ($250m) reconstruction plan, Cii-Honeywell Bull, the Franco-American computer group, has gone back to the French Treasury for more financial aid.

The company has put up a scheme, believed to have been costed at about FFr 900m, for support with its plans to move into the office information system market.

If the project meets with approval, the Government will help with a proportion of the investment, though the amount of the state commitment would be much less than the total cost.

Cii's move follows the acquisition of the controlling interest in the group by Saint-Gobain-Pont-a-Mousson, the diversified French industrial company. Saint-Gobain has also bought a 20 per cent stake in Olivetti, the Italian office equipment concern, with the view to encouraging joint projects

M. Jean-Pierre Brule, chairman of Cii, says the scheme put to the Government concerns only the Freenh company.

It has been drawn up under the terms of the Government's aid plan for high technology industries aimed at encouraging private companies by channeling aid into groups prepared to make investment and growth commitments of their own.

The office equipment and information sector is one of seven areas recently selected for special treatment in the French Government's attempt to capture a part of growing high technology markets.

It is also a sector in which there is likely to be keen competition for the available state funds from companies such as Alcatel, Thomson and Matra.

MAN makes good start

By Our Financial Staff

MAN AG, parent of the German engineering group, grew in the first half of the year ending June 30, 1981, Herr Otto Voisard, managing board chairman says. He told the annual meeting that sales at the parent company and its 90 per cent subsidiary Man-Roland Druckmaschinen rose by 10 per cent during this period and incoming orders climbed 14 per cent.

Growth in both cases came exclusively from exports. Export sales increased by 21 per cent and incoming orders were up by 37 per cent.

New bank in Luxembourg

LUXEMBOURG—A group of four banks announced that they had set up United Overseas Bank (Luxembourg), a new bank, to carry out commercial operations and fund management.

Banque Nationale de Paris, Bank of America International, Dresdner Bank and Banque Bruxelles Lambert, are joint owners of United Overseas Bank SA Geneva, which in turn owns the new Luxembourg bank. Reuter

ESAB climbs out of red

BY VICTOR KAYFETZ IN STOCKHOLM

DESPITE a flat world market for welding equipment, Sweden's ESAB surged into the black in 1980 following two years of losses and no dividends. For 1980 the board wants to pay SKr 5 per share. The dividend for 1977 was SKr 7.

The group reports pre-tax earnings of SKr 86m ($19m), against a 1979 loss of SKr 1.1m. At SKr 1.64bn sales were slightly more than 10 per cent higher than the 1979 figure, but the inflow of orders was lower than in 1979.

An unchanged 84 per cent of sales were outside Sweden. Favourable market conditions in Brazil and Finland contributed to higher sales of accessories for semi-automatic and mechanised welding. ESAB has also consolidated its market-leading position in developing new robotised gas arc-welding machines, the company said.

Orders slowed during the final months of 1980 and the international recession will further reduce demand for products in 1981.

Income growth continues at Raymond

BY OUR FINANCIAL STAFF

HOUSTON - based Raymond International, which has worldwide engineering and construction activities, more than doubled earnings in the final quarter of 1980 to continue the turnround to profit which started in the second quarter.

Fourth quarter profits reached $3.10m or 58 cents per share compared to $1.49m or 31 cents a share on revenues which rose to $192.0m from $163.3m. For the year earnings reached $6m or $1.21 a share compared to $12.42m ($2.60). Revenues were $665.0m against $640.5m. In the first quarter of 1980 Raymond International reported a loss of $1.4m.

The company expects the upward earnings trend to continue in 1981, with a possible peak in the first quarter. Earnings for that quarter would reflect its accounting policy of booking profits on lump sum projects only after they had reached the 30 per cent completion mark.

Two of its largest projects will reach the 30 per cent mark in the second and third quarters of 1981, the company said.

COMMODITIES/REVIEW OF THE WEEK

Rumours of Soviet buying lift sugar

BY OUR COMMODITIES STAFF

WORLD SUGAR market values rose strongly yesterday following rumours that the Soviet Union had made substantial new purchases. The rumours, mainly emanating from New York, suggested that the Russians had bought between 300,000 and 500,000 tonnes, some believed to be from Brazil via a U.S. merchant company.

On the London sugar futures market the May position closed nearly £32 higher at £291.625 a tonne. The London daily price for raw sugar was fixed in the morning at £250 a tonne, £10 up on the previous day and £8 higher on the week.

Yesterday's surge in prices, on rumours of Russian buying, came as the market was already staging a technical rally after a decline to the lowest levels since October. Traders claimed then that the key influence in the market was whether or not the Russians returned to the world market for supplies to make up the shortfall in the Soviet domestic crop and the forced cutback in imports from Cuba. Last year, it is estimated, the Russians bought some 2m tonnes of world market sugar, but it is calculated they need in the region of another 1m tonnes.

Meanwhile there were reports

yesterday that the British Sugar Corporation had exported 30,000 tonnes of raw beet sugar to the Russians.

John Beckett, chief executive of the Corporation, confirmed that 30,000 tonnes of surplus raw sugar, carried over from last season, had been sold to a French merchant, Sucres et Denrees, just before Christmas.

London coffee values also moved up sharply yesterday with the May position ending £20 higher at £1,008.5 a tonne. But this still represented a fall of £6 on the week.

Cocoa prices traded in a narrow range hovering just above recent 4½-year lows. By last night's close the May delivery price was quoted at £869.5 a tonne on the London futures market, down £1 on the week.

On the London Metal Exchange the decline in the value of sterling against the dollar helped bring a generally firmer tone. This upward trend was encouraged by the rally in gold above the $500 an ounce level, although the fluctuations in the gold market continued to create considerable uncertainty.

The most notable gain in percentage terms was a £17.25 rise in the cash price of lead taking it up to £294 a tonne. This increase came in spite of a further cut in U.S. domestic lead prices, from 32 cents to 30 cents per pound reflecting continued poor demand there building up stocks. It was felt the market had been oversold in recent weeks, and the upturn was also boosted by copper, where cash wirebars gained £14 to £787 a tonne.

Free market nickel prices were bosted by news that other producers were following Inco's decision to end on February 28 its 8 per cent discount on its official posted price introduced in November to lift sagging sales. It was noted, however, that all discount orders are to end this month, and the delivery period for this cut-price nickel has been extended by three months until the end of June. This coincided with traders' views that demand for nickel remains sluggish. Nevertheless improved market sentiment helped lift the LME nickel cash price by £77.5 to £2,757.5 a tonne.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1980/81 High	1980/81 Low
METALS					
Aluminium	£810/815	—	£810/815	£810/815	£750/70
Free Markets c.i.f.	$1425/55	+25	$2040/2056	$2180/2200	$1480/1450
Antimony					
Free Market 99.6%	$3185/75	—15	$3250/3300	$3,435	$3125/3175
Copper Cash Wire Bars	£787	+14	£1,308.5	£1,372	£755
3 months Do. Do.	£809.25	+14.5	£1,306.5	£1,378.5	£777.5
Cash Cathodes	£779	+16.5	£1,252.5	£1,316	£747
3 months Do	£796.5	+15.5	£1,276.5	£1,343.5	£763.5
Gold per oz	$502.5	—4	$397.5	$835	$473
Lead Cash §	£294.25	+17.25	£515.5	£579	£273.75
3 months §	£303.25	+15.75	£495.5	£471.5	£285.25
Nickel	£3,226.57	—	£3,195.78	£3,477	£3,115
Free Market c.i.f. lb	280/295c	+7.5	305/330c	315/345	265/295c
Platinum per oz	£202		£189	£202	£182.50
Free Market per oz	£207.40	+13.10	£392.15	£455.6	£186.50
Quicksilver (76lbs.)	$365/395	+15	$395/405	$418/423	$355/365
Silver per oz	571.35p	+19.4	1592.55p	2,165.95p	467.60p
3 months per oz	588.45p	+18.2	1631.60p	2,186.95p	485.3p
Tin cash	£5,930	+55	£7,380	£8,350	£5,700
3 months	£6,062.5	+47.5	£7,420	£8,385	£5,872.5
Tungsten Ind.	$144.72	+0.82	$138.72	$148.21	$137.76
Wolfram (22.04 lb).	$148/151	+1	$139/144	$151/154	$129.50/134
Zinc cash	£317	+5.5	£368	£400	£282
3 months	£328.5	+5.5	£379.5	£415	£292.25
Producers	$825	—	$780/825	$825	$780
GRAINS					
Barley					
Home Futures	£98.90	—2.3	£100.85	£102.80	£89.95
Maize					
French	£125	+2	£117.50	£123	£110.50
WHEAT					
No. 1 Red Spring	‡	—	‡	‡	‡
Am. Hard Winter	£100.25x	—	£96.25	£112.5	£91.0
Eng. Milling (new crop)	‡	—	‡	‡	‡
SPICES					
Cloves (g)	$3,950y	—	$4,080	$4,175	$3,750
Pepper, white	$2,050y	—	$2,750	$2,825	$2,080
black	$1,600y	—	$1,950	$2,000	$1,575
OILS					
Coconut (Philippines)	$600y	+10	$880	$925	$560
Groundnut 8%	‡		‡	2457	‡
Linseed, Crude	£400	—8	£431	£480	£338
Palm Malayan	$617.50w	—	$687.5	$725	$475
SEEDS					
Copra (Philippines)	$415	+10	$575	$610	$355
Soyabeans (U.S.)	$314x		$301	$361	$260
OTHER COMMODITIES					
Cocoa Shipment	£926	—5	£1,525	£1,546	£921
Cocoa Futures May	£869.5	—1	£1,464.5	£1,513.5	£860.5
Coffee Futures May	£1,008.5	—6	£1,513.5	£1,784.5	£959.5
Cotton index	87.90c	+0.60	97.50c	103.8c	83c
Des Coconut	£640	—	£750	£740	£640
Jute LJ ABW C grade	£219y	—	£221	£252	£197
Rubber kilo	57.50p	+1.5	63.50p	90p	54p
Sago Pearl	£197y	—	£209	£216	£197
Sisal No. 1	£780	—	£685	£885	£780
Sugar (Raw)	£250	+8	£225	£410	£164
Tapioca No. 1	£207y	—	£204	£226	£202
Tea (quality) kilo	180p	+2	137p	150p	118p
(plain) kilo	67p	+2	62p	73p	64p
Wooltops, 64s Warp	309pkilo	+5	292p	309p kilo	275p kilo

‡ Unquoted. (g) Madagascar. (y) Feb./March. (z) Jan./Feb. (w) April. (x) March. * Nominal.

MARKET REPORTS

BASE METALS

COPPER—Gained further ground on the London Metal Exchange reflecting the strength of gold, a fall in sterling and renewed short covering which saw three months rise from £803 on the early pre-market to a day's high of £816 in the afternoon, prior to closing the late kerb at £814.5. Turnover 20,775 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	786.5-7	+11	786.5-7.5	+9
3 months	807-.5	+8.5	809-.5	+8
Settlem't	787	+11	—	
Cathodes				
Cash	778-9	+15	778-80	+8.5
3 months	796-6	+11	796-7	+8.75
Settlem't	779	+15	—	......
U.S. Prod	—		*85	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £785, 86, 86.5, three months £808, 9, 10, 11, 12, 11, 09, 8.5, 8, 7, 7.5, 7. Cathodes, cash £776, 77, 78, 79. Kerb: Wirebars, three months £808, 8.5, 9, 9.5, 10. Afternoon: Wirebars, three months £810, 09, 8.5, 9, 9.5. Cathodes, cash £779. Kerb: Wirebars, three months £811, 12, 13, 13.5, 14, 13, 13.5, 14, 15, 16, 15, 14.

TIN—Edged higher in quiet trading with three months moving ahead to £6,100 on light fresh buying prompted by the decline in sterling, light physical interest and stop-loss buying, before easing to close the late kerb at £6,060. Turnover 1,850 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	5940-5	+105	5925-35	+27.5
3 months	6065-70	+90	6060-5	+25
Settlem't	5945	+105	—	
Standard				
Cash	5945-5	+105	5925-35	+27.5
3 months	6065-70	+90	6060-5	+25
Settlem't	5945	+105	—	......
Straits E.	$30.60	......	—	......
New York	—			

Morning: Standard, cash £5,940, 45, three months £6,080, 75, 70, 75, 70. Kerb: Standard, three months £6,070. Afternoon: Standard, three months £6,080, 90, 6,100, 6,080, 80, 70, 60. Kerb: Standard, three months £6,065, 60, 55.

LEAD—Up again on renewed bear covering and fresh buying encouraged by the strength of copper and gold. Forward metal rose to £306 in the morning but eased on profit-taking to end the morning kerb at £301. In the afternoon the price held over the £300 level and ended the late kerb at £302. Turnover 9,950 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	295-.5	+2.5	294-.5	+2
3 months	304-5	+1	303-.5	+1
S ment	295.5	+2.5	—	......
U.S. Spot	—	......	*30-2	......

Morning: Cash £295, three months £305, 5.5, 6, 5, 5.5, 5, 4.5. Kerb: Three months £304, 3, 2, 1. Afternoon: Cash £294, three months £302, 3, 4, 3. Kerb: Three months £303, 2, 1.

ZINC—Marginally firmer in sympathy with other metals. Forward metal opened around £325 and edged up to close the late kerb at £329.5. Turnover 16,825 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	316-7.5	+5.25	316.5-7.5	+3
3 months	328-.5	+5	328-9	+2.75
S'ment	317.5	+5.5	—	......
Primw'ts	—	......	*41.5	......

Morning: Three months £326, 27, 26.5, 27, 28.75, 27, 28. Kerb: Three months £328.5. Afternoon: Three months £328, 27.5, 28, 28.5. Kerb: Three months £328.5, 29.5, 29.

ALUMINIUM—Higher on currency considerations which left three months at the day's high of £633 on the late kerb. Turnover 7,150 tonnes.

Morning: Cash £612, three months £629, 30, 29, 28.5, 28, 27, 28, 28.5, 29, 29.5. Kerb: Three months £629.5, 30, 29.5. Afternoon: Three months £630, 32, 33, 32, 31, 31.5, 32. Kerb: Three months £632, 31, 32, 33, 33.5, 33.

Alumin'm	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Spot	612-3.5	+8.75	614-6	+7
3 months	629.5-30	+5.75	632-.5	+6.5

NICKEL—Gained ground as light fresh buying, in the wake of the decline in sterling, pushed forward metal up from £2,700 to a high of £2,725 before a close of £2,717.5. Turnover 354 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2745-55	+28	2755-60	+27.5
3 months	2715-20	—25	2725-30	+35

Morning: Cash £2,745, mid February £2,745, three months £2,700, 05, 10, 15, 20. Afternoon: Three months £2,715, 10, 15, 20, 25. Kerb: Three months £2,720.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 11.35p an ounce higher for spot delivery in the London bullion market yesterday at 571.35p. U.S. equivalents of the fixing levels were: spot $13.35, up 14.8c; three-month $13.887, up 15.4c; six-month $14.399, up 17.1c; and 12-month $15.423, up 15.6c. The metal opened at 557p-566p ($13-$13.2), and closed at 564p-573p ($13.2-$13.4).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	571.35p	+11.5	571.0p	+14.5
3 months	588.45p	+11.4	588.0p	+15
6 months	604.50p	+12	—	......
12months	643.50p	+12	—	......

LME—Turnover 78 (116) lots of 10,000 ounces. Morning: three months 592, 91, 92, 90. Kerbs: three months 589. Afternoon: three months 585, 86, 87. Kerbs: three months 589, 88, 86.

COCOA

Cocoa futures remained steady in quiet trading conditions as weekend book squaring caused prices to close with gains of £10. Physical business remained scarce with producers withdrawn from current levels, while consumers showed interest only to price fix existing contracts, reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
March	842-843	+3.0	843-832
May	869-870	+5.0	870-858
July	898-892	+10.0	899-884
Sept	922-923	+8.0	923-909
Dec	953-954	+9.0	954-940
March	977-978	+8.5	979-960
May	996-998	+8.5	998-988

Sales: 1,787 (2,371) lots of 10 tonnes.

ICCO Futures—Daily price for Feb. 5: 90.71 (91.82); five-day average 91.93 (92.47).

COFFEE

Trade and commission house buying prompted an early advance that was linked to a late recovery in the U.S., reports Drexel Burnham Lambert. An erratic New York opening triggered a flurry of activity in London and further gains were registered following aggressive trade buying. Later dealer profit-taking pared gains, but prices still finished £13-£24 higher.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	985-988	+23.5	990-75
May	1008-09	+20.0	1016-02
July	1025-27	+18.0	1035-20
Sept	1040-44	+13.5	1055-39
Nov	1043-48	+16.0	1053-40
Jan	1056-75	+22.0	—
March	1040-90	+15.0	—

Sales: 2,580 (3,179) lots of 5 tonnes.

ICO Indicator prices for February 5. (U.S. cents per pound). Other Mild Arabicas 124.33 (121.33); Robustas ICA 1976 114.50 (115.00); ICA 1968 114.76 (116.25). Unwashed Arabicas unquoted. Comp. daily ICA 1968 unquoted.

GRAINS

LONDON GRAIN FUTURES—Market opened lower on wheat. A reasonable trade was seen values holding steady. Barley was forced down by heavy selling of March/May options from shipper sources. Some support was seen at the lower levels now, towards the close some short covering steadied values a little. New crops also came under selling pressure, reports Acli.

M'nth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterday's close	+ or —
Mar	106.95	—0.15	95.35	—0.95
May	111.00	—0.10	98.90	—0.50
July	114.90	—0.15	—	—
Sept	99.35	—0.20	93.75	—0.15
Nov	103.20	—0.28	97.65	—0.15
Jan	107.20	—0.05	101.25	—0.10

Business done—Wheat: Mar. 107.00-106.80, May 111.05-110.85, July 114.90-114.80, Sept. 99.45-99.05, Nov. no trade, Jan. 107.00-107.00. Sales 299 lots of 100 tonnes. Barley: Mar. 95.45-95.15, May 99.10-98.70, July no trade, Sept. 93.80-97.60, Nov. 97.65-97.60, Jan. 101.25-101.15. Sales 603 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 2 14 per cent Mar. 110.55 transhipment east coast seller. U.S. Hard Winter 13½ per cent Mar. 105.25, April 105.75 transhipment east coast sellers. English Feed fob Mar. 111.25 paid east coast. Maize: French Feb. 123.00 transhipment east coast. S. African Yellow Feb./Mar. 86.50 seller paid. Barley: English Feed fob Mar. 100.75 and 101 south coast, April/June 103.50, May 103 east coast, all traded. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 98.10, E. Midlands 94.00, N. East 94.00, Scotland 94.80. Other milling wheat: E. Midlands 108.20.

The UK monetary coefficient for the week beginning Monday February 9 will decrease to 0.818.

RUBBER

The London physical market opened unchanged, with some small buying interest at lower levels, closing quiet and slightly steadier, Lewis and Peat reported.

No. 1 R.S.S.	Yest'rd'ys close	Previous close	Business Done
Mar.	58.25-59.00	57.10-58.00	—
Apr.	58.40-58.90	58.50-58.90	—
Apr-Jne	59.70-60.10	60.00-60.10	60.90-60.20
Jly-Sept	64.00-64.10	63.50-63.40	64.50-63.20
Oct-Dec	67.10-67.50	66.30-66.40	67.40-66.30
Jan-Mar	70.70-70.20	69.20-69.40	—
Apl-Jne	75.10-75.20	72.30-72.40	75.20
Jly-Sept	78.10-78.20	75.30-75.50	—
Oct-Dec	79.20-79.30	78.40-78.50	—

Sales: 153 (115) at 15 tonnes and none at 5 tonnes. Physical closing prices (buyer) were: Spot 57.50p (56.50p); March 61.50p (61.0p); April 62.00p (61.50p).

SOYABEAN MEAL

The London market opened with gains of £1 on short covering, reports T. G. Roddick. Prices remained steady in dull trading conditions, advancing later in the day on light dealer buying, finishing with gains of around £2.50.

	Yest'rd'ys Close	+ or —	Business Done
	£ per tonne		
February	121.50-27.0	—0.75	—
April	124.40-24.5	+2.55	124.70-23.50
June	127.10-27.8	+2.45	127.50
August	128.50-28.5	+2.9	128.50-28.10
October	127.50-30.0	+2.55	—
December	128.50-30.0	+0.75	—
February	128.00-33.0	+1.0	—

Sales: 32 (149) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar) £250.00 (£240.00) tonne cif for Feb.-March shipments. White sugar daily price was £285.00 (£273.00).

The market opened above overnight levels. Prices eased during the morning but the losses were recovered and further gains of around £5 were recorded. The rally continued during the afternoon on rumours of substantial Soviet buying and the market closed at the highs of the day, reports C. Czarnikow.

No. 4 Contract	Yesterd'ys Close	Previous close	Business Done
	£ per tonne		
Mar	264.50-65.50	255.75-54.25	268.00-54.00
May	291.50-91.75	255.65-60.00	283.00-59.00
Aug	287.00-89.00	258.75-63.00	289.00-60.00
Oct	279.75-80.00	254.00-54.75	281.50-55.00
Jan	259.00-61.00	258.00-59.00	260.00-57.00
March	268.00-58.00	258.50-57.00	261.00-48.00
May	257.00-58.00	255.00-56.50	258.00-45.00

Sales: 18,996 (13,053) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.5 (same) a tonne for home trade and £338.50 (£327.50) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for February 5. Daily price 23.72 (24.68). 15-day average 25.37 (25.67).

AMERICAN MARKETS

NEW YORK, February 6.

SHORT COVERING and fresh buying firmed the precious metals and copper. Good trade and commission house buying led to major rallies in cocoa and coffee. Sugar rallied sharply on reports of Soviet buying. The meat complex was sharply higher on continued firmness to cash markets. Commission house buying rallied corn and soyabeans, while commercial selling in the nearbys forced wheat to close mixed. Cotton values weakened on the lack of reaction to the bullish export sales report, reported Heinold.

Copper—Feb. 83.70 (82.65), March 84.50-85.00 (83.65), April 86.00, May 87.30-87.70, July 89.90-90.20, Sept. 92.00, Dec. 94.95, Jan. 95.90, March 97.85, May 99.45, July 101.05, Sept. 102.65, Dec. 105.05.

Potatoes (round whites)—March 142.0-142.5 (139.3), April 172.9-173.2 (169.5), Nov. 88.5-89.0. Sales: 2,717.

Sugar—No. 11: March 28.20-28.30 (25.72), May 28.90-28.95 (26.42), July 27.76, Sept. 27.16, Oct. 27.00, Jan. 24.90, March 25.18, May 24.95, July 24.70.

Tin—6460-660.0 (642.0-649.0).

CHICAGO, February 6.

Lard—Chicago loose 18.75 (same).

Live Cattle—Feb. 61.60-61.80 (61.72), April 67.35-67.65 (66.42), June 69.75-69.80, Aug. 70.10-70.20, Oct. 68.25, Dec. 69.75-69.60, Feb. 7075

Live Hogs—Feb. 45.25-45.5 (43.85), April 47.87-47.80 (46.55), June 52.65-52.50, July 53.75-53.90, Aug. 52.70-52.90, Oct. 51.80, Dec. 55.17-54.97, Feb. 56.77, April 56.55.

‡‡Maize—March 367-368 (384). May 377½-378½ (374½). July 384½-384¼. Sept. 380-379¾. Dec. 379¾-380. March 389¾.

Pork Bellies—Feb. 54.90 (52.90), March 55.50 (53.50), May 57.47, July 59.45, Aug. 58.55, Feb. —.

Silver—Feb. 1360.0 (1320.5), March 1370.5 (1330.5), April 1385.0, June 1420.0, Aug. 1455.0, Oct. 1490.0, Dec. 1525.0, Feb. 1560.0, April 1595.0, June 1630.0, Aug. 1665.0, Oct. 1700.0, April 1805.0, June 1840.0, Aug. 1875.0.

†Soyabeans—March 768-769 (754½), May 794-796½ (781½), July 819-818, Aug. 822½-824, Sept. 829, Nov. 844-842, Jan. 860, March 881.

‖Soyabean Meal—March 222.5-222.0 (219.7), May 231.2-231.5 (228.2), July 239.0, Aug. 241.0, Sept. 242.5-243.0, Oct. 244.5-245.0, Dec. 146.5, Jan. 248.0, March —, May —.

Soyabean Oil—March 24.30-24.25 (23.77), May 25.10-25.05 (24.58), July 25.90, Aug. 26.00-26.10, Sept. 26.40, Oct. 26.60-26.65, Dec. 27.30-27.20, Jan. 27.45, March 27.85-27.95, May —.

†Wheat—March 473-471 (471¼), May 482-481 (479¾), July 470-469½, Sept. 482½, Dec. 506, March 523.

* All cents per pound ex-warehouse unless otherwise stated. *$ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

Thursday's closing prices

NEW YORK, February 5.

††Cocoa—March 1878 (1882), May 1940 (1942), July 2008, Sept. 2062, Dec. 2137, March 2202, May —, July —. Sales 1,347.

Coffee—"C" Contract: March 119.00-119.70 (116.53), May 124.25-124.50 (122.28), July 126.50, Sept. 129.00-129.25, Dec. 130.00, March 126.50-126.75, May 127.50-127.52, July 115.00-135.00. Sales 1,885.

Cotton—No. 2: March 90.70-90.95 (90.61), May 91.60-91.75 (91.37), July 91.70-91.80, Oct. 87.15-87.25, Dec. 83.65, March 84.90-85.00, May 85.50-86.00, July 86.00-86.50. Sales 7,500.

*Gold—Feb. 500.0-501.5 (490.5), March 504.0 (494.0), April 508.5-512.0, June 521.0-525.0, Aug. 535.1, Oct. 547.6, Dec. 560.1, Feb. 567.0-572.0, April 585.2, June 597.8, Aug. 610.4, Oct. 623.1, Dec. 635.9. Sales 41,000.

Orange Juice—March 136.90 (132.65), May 140.45 (135.45), July 142.25, Sept. 143.70, Nov. 143.00, Jan. 140.40, March 141.50, May 142.60, July 143.05. Sales 2,000.

*Platinum—Feb. 474.0 (460.4), March 479.4 (465.4), April 484.5-487.0, July 507.0, Oct. 525.9-526.4, Jan. 547.4-549.4, April 568.4-571.0. Sales 1,467.

¶Silver—Feb. 1312.0 (1287.0), March 1322.0-1326.0 (1300.0), April 1340.5, May 1356.0-1368.0, July 1400.0, Sept. 1431.5, Dec. 1484.5, Jan. 1502.0, March 1537.5, May 1573.0, July 1608.5, Sept. 1644.0, Dec. 1697.5. Sales 4,000. Handy and Harman bullion spot 1302.0 (1334.0).

Tin—642.0-649.0 (642.0-644.0).

CHICAGO, February 5.

Chicago Imm Gold—Feb. 500.0 (486.5), March 503.5-505.0 (492.5), April 510.6, June 525.0-523.0, July 529.8, Sept. 541.0, Oct. 548.9, Dec. 560.0, Jan. 568.0, March 580.8.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 277.90 (278.0).

INDICES

FINANCIAL TIMES

Feb. 5	Feb. 4	Month ago	Year ago
254.48	253.77	262.99	310.45

(Base: July 1, 1952=100).

DOW JONES

Dow Jones	Feb. 5	Feb. 4	Month ago	Year ago
Spot	422.37	421.59	445.51	452.34
Fut'rs	440.44	439.12	468.92	458.72

(Average 1924-25-26=100)

MOODY'S

Feb. 5	Feb. 4	Month ago	Year ago
1159.4	1164.5	1225.6	1461.0

(December 31, 1931=100)

REUTERS

Feb. 6	Feb. 5	M'nth ago	Year ago
1697.5	1687.3	1727.5	1829.2

(Base: September 18, 1931=100)

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on February 6. GB—Cattle 83.17p per kg lw (+1.32). UK—Sheep 161.78p per kg est dcw (+20.85). GB—Pigs 69.46p per kg lw (+2.79).

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated: Imported Produce: Oranges—Jaffa: Shamoutis 50/189 4.20-5.06; Spania: Navels 48/54/60 3.40, 70 3.20, 80/90/100/112/135/150 3.00; Moroccan: Navels 56/125 3.40-3.80; Cypriot: Shamoutis 15 kg 42/112 3.00; Egyptian: 72/125 2.50. Seurs—Seville: 5.00; Italian: 35 lb 4.50. Lemons—Spania: Trays 25/54 2.20-2.40; Cypriot: 10 kg 4.00-4.50; Greek: 2.40; Italian: 100/120 3.50-3.75; South African: 80/100 6.50-7.00; Californian: 95/140 6.80-7.20; Jaffa: 105/125 6.00-6.20. Grapefruit—Cypriot: 20 kg 40/64 3.20-3.80; Jaffa: 20 kg 36 4.45, 40 4.50, 48 4.65, 56 4.30, 64 4.05, 75 3.85; Egyptian: 30/100 2.50,

Government may approve BSC funds next week

BY HAZELL DUFFY, INDUSTRIAL CORRESPONDENT

THE GOVERNMENT is preparing a statement to be made next week on the future of the British Steel Corporation. It follows the Cabinet's agreement in principle to the corporate plan submitted in December by Mr. Ian MacGregor, BSC chairman.

The statement, to be made by Sir Keith Joseph, Industry Secretary, is expected to approve Government funds of about £750m. These, Mr. MacGregor says are necessary to keep the corporation going this year.

Sir Keith also hopes to be able to say that agreement has been reached on rationalisation of steel bar and rod production between the corporation and GKN, the so-called Phoenix I project.

Publication of the Iron and Steel Bill will follow the statement, the main purpose of which is to provide for the capital reconstruction of the corporation.

The Government estimated three months ago that it would need to write off loans of about £3.7bn to bring the Corporation's capital structure into line with the enormous changes that have overtaken the steel industry since it embarked on its capital investment programme in the early 1970s.

The Bill is also expected to have to make provision for further trading losses at the corporation before the corporation achieves its return to breakeven, planned for 1982-83.

In the light of the continuing uncertainties over the trading situation in steel, it will be difficult to put a figure on these losses.

Meanwhile Duport, the private-sector steel and engineering company, said yesterday it continued its discussions with the corporation and Department of Industry officials in an attempt to preserve some of its steelmaking activities.

The company expected the talks to be resumed on Monday.

The Iron and Steel Bill, foreshadowed in the Queen's Speech, has been forced on the Government because of the corporation's continuing losses. The Government would have preferred to postpone it until the corporation had been closer to a breakeven position.

The capital reconstruction is expected to take account of the revaluation of assets in the light of the fact that some of the big capital investment projects are now unlikely ever to operate at their full potential.

The saving interest charges as a result of the operation will be substantial, thus improving the corporation's trading figures.

Referendum to be held on shop hours proposal

BY OUR CONSUMER AFFAIRS CORRESPONDENT

THE Retail Consortium, which represents the bulk of Britain's retailers, is to hold a referendum of its members' views on proposed legislation to amend shops' legal opening hours.

The proposed amendment to the Shops Act is being sponsored by Sir Anthony Meyer as a Private Member's Bill. It is due to have its second reading later this month. One of the main changes if the amendment became law would be to make it easier for shops to trade on a Sunday.

The consortium has written to the Home Office pointing out that until the views of retailers have been canvassed, it is opposed to any "piecemeal amendment to the Shops Act."

Mr. Colin Paterson, deputy chairman of the consortium, said yesterday that retailers were not being complacent, but they realised that "amendment to the shops legislation could have serious social and economic implications."

BASE LENDING RATES

A.B.N. Bank	14 %	■ Hambros Bank	14 %
Allied Irish Bank	14 %	■ Hill, Samuel	§14 %
American Express Bk.	14 %	C. Hoare & Co.	†14 %
Amro Bank	14 %	Hongkong & Shanghai	14 %
Henry Ansbacher	14 %	Keyser Ullmann	14 %
AP Bank Ltd.	14 %	Knowsley & Co. Ltd.	16 %
■ Arbuthnot Latham	14 %	Langris Trust Ltd.	14 %
Associates Cap. Corp.	14 %	Lloyds Bank	14 %
Banco de Bilbao	14 %	Edward Manson & Co.	15 %
BCCI	14 %	Midland Bank	14 %
Bank of Cyprus	14 %	■ Samuel Montagu	14 %
Bank of N.S.W.	14 %	■ Morgan Grenfell	14 %
Banque Belge Ltd.	14 %	National Westminster	14 %
Banque du Rhone et de la Tamise S.A.	14½%	Norwich General Trust	14 %
Barclays Bank	14 %	P. S. Refson & Co.	14 %
Beneficial Trust Ltd.	15 %	Rossminster	14 %
Bremar Holdings Ltd.	15 %	Ryl. Bk. Canada (Ldn.)	14 %
Brit. Bank of Mid. East	14 %	Slavenburg's Bank	14 %
■ Brown Shipley	14 %	E. S. Schwab	14 %
Canada Perm't Trust	15 %	Standard Chartered	§14 %
Cayzer Ltd.	14 %	Trade Dev. Bank	14 %
Cedar Holdings	14 %	Trustee Savings Bank	14 %
■ Charterhouse Japhet	14 %	Twentieth Century Bk.	14 %
Choulartons	14 %	United Bank of Kuwait	14 %
C. E. Coates	14 %	Whiteaway Laidlaw	14½%
Consolidated Credits	14 %	Williams & Glyn's	14 %
Co-operative Bank	*14 %	Wintrust Secs. Ltd.	14 %
Corinthian Secs.	14 %	Yorkshire Bank	14 %
The Cyprus Popular Bk.	14 %		
Duncan Lawrie	14 %		
Eagil Trust	14 %		
E. T. Trust Limited	14 %		
First Nat. Fin. Corp.	16½%		
First Nat. Secs. Ltd.	16 %		
Robert Fraser	14 %		
Antony Gibbs	14 %		
Greyhound Guaranty	14 %		
Grindlays Bank	†14 %		
■ Guinness Mahon	†14 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 11%, 1-month 11%. Short term £8,000 12 months 11.5%.

† 7-day deposits on sums of £10,000 and under 11%, up to £50,000 12%, and over £50,000 12%.

‡ Call deposits £1,000 and over 11%.

§ 7-day deposits 12.

¶ Demand deposits 12%.

|| 21-day deposits over £1,000 12%.

EUROPEAN OPTIONS EXCHANGE

[illegible]

Stock Exchange dealings

Thursday, February 5	21,454
Wednesday, February 4	22,079
Tuesday, February 3	21,312
Monday, February 2	21,745
Friday, January 30	17,715
Thursday, January 29	18,518

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days, these are distinguished by the date shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or a purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (639)

[illegible]

BREWERIES (100)

[illegible]

COMMERCIAL (1,582)

[illegible]

INTNL. BANK (1)

CORPORATIONS (16)

PUBLIC BOARDS (13)

COMMONWEALTH GOVTS. (7)

FOREIGN STOCKS (—)

BANKS (92)

[illegible]

W—Y—Z

W.G.I. 4.9pcPf. 380

Waddington (John) (25p) 86 (3/2)

Walker Staff Hldgs. (5p) 25 (4/2)

ELECTRIC LIGHT (1)

FINANCIAL TRUSTS (65)

GAS (6)

INSURANCE (82)

INVESTMENT TRUSTS (98)

[illegible]

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980-81 high	1980-81 low
ICL	25p	9	37	+ 4	196	31
GEC	25p	8	635	+15	635	326
BAT Inds.	25p	7	268	+ 4	295	223
GUS "A"	25p	7	495	+ 5	500	340
Lonrho	25p	7	108	—	120	72
Commercial Union	25p	6	151	− 1	180	125
Cons. Gold Fields	25p	6	428	−12	678	373
Land Securities	50p	6	397	+ 9	397	237
Marks & Spencer	25p	6	126	+ 3	126	77
Muirhead	25p	6	102	+10	270	62
Plessey	50p	6	295	+ 7	295	108
Racal Electronics	25p	6	335	+ 8	370	175
RTZ	25p	6	372	− 3	486	322
Shell Transport	25p	6	426	—	522	314
BP	25p	5	408	+ 2	502	320

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1980-81 high	1980-81 low
GEC	25p	52	635	+18	635	326
ICL	25p	51	37	−10	196	31
Racal Electronics	25p	42	335	+13	370	175
Plessey	50p	38	295	+10	295	108
Sovereign Oil	25p	37	395	−13	500	101
BAT Inds.	25p	36	268	+16	295	223
GKN	£1	34	142	+ 6	279	133
Shell Transport	25p	34	426	− 4	522	314
GUS "A"	25p	33	495	+19	500	340
Lonrho	25p	33	108	+11	120	72
Barclays Bank	£1	32	382	−23	482	327
ICI	£1	31	296	+ 4	402	262
Beecham	25p	29	180	+ 9	180	108
Cons. Gold Fields	25p	28	428	−25	678	373
Unitech	10p	27	225	−25	364	195

Buffelsfontein Gold Mining (R1) US$37¼ 8½
Consolidated Murchison (R0.10) 220
Deelkraal Gold Mining (R0.20) 182
Doornfontein Gold Mining (R1) US$15¼
Durban Roodepoort Deep (R1) p700 (3/2)
East Driefontein Gold Mining (R1) US$26½
East Rand Consolidated (10p) 39 (2/2)
East Rand Gold and Uranium (R0.50) 370
Elandsrand Gold Mining (R0.20) 240 (3/2)
Elsburg Gold Mining (R1) 156 53 2
Free State Geduld Mines (R0.50) p1945 (4/2)
Free State Saaiplaas Gold Mining (R1) 260 (30/1)

Imry Prop. Hldgs. (25p) 820 (4/2)
Laganvale Estate (10p) 32½ ¼
Laing Props. (25p) 178 (30/1). Ord. A (25p) 179 (4/2)
Land Investors (25p) 58½ 9
Land Securities Invest. Trust (50p) 388 6 9 91 90. 9pcDb. 69 (4/2). 8½pcLn. 66¼ ¼. 6¼pcLn. 1985 250 (3/2). 10pcLn. 221 (2/2)
Law Land Co. (20p) 77 8½ 8. 6½pcDb. 60½ ½ (30/1)
Lewis (J.) Props. 9½pcDb. 69½ (3/2)
MEPC (25p) 288 2 (4/2). 8pcLn. 60½ (3/2). 8½pcLn. 81½ (2/2)
Marlborough Property Hldgs. (5p) 42½ (4/2)
Mucklow Estates (25p) 90 (4/2)

Scan Data Intnl. (10p) p225 2 (3/2)
Sovereign Oil Gas (25p) p3930 30 8 5 90
Thames Inv. Secs. p120 (3/2). 12pcPf. (75p) 120 (3/2)
United Electronic (20p) p62 60 5½

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

FEBRUARY 5

AOG Minerals 22
ASA £22¼
Abitibi Price 880
Adobe £14½
Agrico Eagle 505
Argo Invest. 102
Australian Cons. Minerals 170
Baguio Gold ¼
Basic Resources 450
Boustead Hldgs. Berhad 170
CSR 316 240
Carnation £11½
Carr Boyd Minerals 22
Central Louisiana Energy £20¼
Chevron O'seas Fin. 5pc Gtd. Cnv. SF Db. 88 $US2600
EMI 6¼pc Bds. 1992 $US76
Eastman Kodak £28½
Endeavour Resources 34
Firestone O'seas Fin. 5pc Gtd. Cnv. Db. 88 $US53½
GK Technologies Inc. £16 ½
Greenvale Mining 95
Gulfstream Resources 390 5
Haoma Gold 110
Hong Kong Land 100

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051-548 6555)	13½	½-year	1,000	5-7
Sefton MBC (051-922 4040)	12½	½-year	2,000	2-5

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %	
Abbey National	9.00	9.25	10.50	11.25	5 yrs., 10.75 4 yrs., 10.25 3 yrs.
Aid to Thrift	9.65	10.15	—	—	
Alliance	9.00	9.25	10.50	11.25	5 yrs., 10.75 4 yrs., 10.25 3 yrs., 9.75 2 yrs., 9.50 1 yr.
Anglia	9.00	9.25	10.50	11.25	5 yrs., 10.75 4 yrs., 10.25 3 yrs.
Bradford and Bingley	9.00	9.25	10.50	10.00	one month's notice deposit
Bridgwater	9.00	9.25	10.75	11.25	5 yrs., 10.75 4 yrs., 10.35 3 yrs.
Bristol Economic	9.00	9.25	10.50	10.00	3 months. Escalator shares 9.75-11.25 (1-5 years)
Britannia	9.00	9.25	10.50	11.50	4 yrs., 10.25 3 yrs.
Burnley	9.00	9.25	10.50	11.25	5 yrs., 10.75 4 yrs., 10.25 3 yrs.
Cardiff	9.00	10.25	11.25	—	
Catholic	9.00	9.50	10.50	—	Share a/cs 9.70 over £5,000
Chelsea	9.00	9.25	10.50	11.25	5 yrs., 10.75 4 yrs., 10.30 6 mths., 10.65 1 yr. (min.)
Cheltenham and Gloucester	9.00	9.25	10.50	11.25	5 yrs., 10.75 4 yrs., 10.25 3 yrs.
Cheltenham and Gloucester	—	10.25	—	—	Premium shares including 1.00 bonus p.a. (£15,000 or £20,000)
Citizens Regency	9.00	9.55	10.75	11.55	5 yrs., 10.55 3 yrs., 10.05 1 yr.
City of London (The)	9.25	9.50	10.50	10.25	2 mths.
Coventry Economic	9.00	9.25	10.50	10.75	4 yrs., 10.25 3 yrs., 10.00 3 mths.
Coventry Provident	9.00	9.25	11.25	11.30	av. 5 yrs., 10.75 4 yrs., 10 3 mths.
Derbyshire	9.00	9.25	10.50	9.50	to 10.00 3 mths.
Ealing and Acton	9.00	9.75	—	10.40	2 yrs., £2,000 minimum
Gateway	9.00	9.25	10.50	9.50	6 mths. rising to 11.25 5 yrs.
Greenwich	—	9.50	10.75	11.50	5 yrs., 11.00 4 yrs., 10.50 3 yrs.
Guardian	9.00	9.50	—	11.00	6 mth., 10.50 3 mth., min. £1,000
Halifax	9.00	9.25	10.50	11.25	5 yrs., 10.75 4 yrs., 10.25 3 yrs.
Heart of England	9.00	9.25	10.50	—	3 mths. notice 10.00, 5 yrs. 11.25
Hearts of Oak and Enfield	9.00	9.50	11.00	10.75	4 yrs., 10.50 3 yrs., 10.25 2 yrs.
Hendon	9.50	10.00	—	11.00	6 mths. minimum £2,000
Huddersfield and Bradford	9.00	9.25	10.00	11.25	5 yrs., 10.75 4 yrs., 10.25 3 yrs., 9.75 2 yrs.
Lambeth	9.00	9.50	11.25	11.25	5 yrs., 11.00 6 months' notice
Leamington Spa	9.10	9.35	12.45	10.85	1 year
Leeds Permanent	9.00	9.25	10.50	11.25	5 yrs., Optns. fm. 9.50 (6 mths.)
Leicester	9.00	9.25	10.50	11.25	5 yrs., 10.75 4 yrs., 10.25 3 yrs.
Liverpool	9.00	9.25	10.70	11.25	5 yrs. minimum £1,000
Melton Mowbray	9.10	9.35	10.50	11.85	6 yrs., 10.85 4 yrs., 10.10 2 yrs.
Mornington	9.75	10.25	—	—	
National Counties	9.25	9.35	10.55	—	35 days' notice 10.25 min. dep. £500, 6 mths., 10.65
Nationwide	9.00	9.25	10.50	11.25	5 yrs., 10.75 4 yrs., 9.75 1 yr.
New Cross	9.75	10.00	10.00	11.25	on share accs., depending on min. balance over 6 mths.
Northern Rock	9.00	9.25	10.50	11.25	5 yrs., 10.75 4 yrs., 10.25 3 yrs.
Norwich	9.00	9.25	10.75	10.25	3 yrs., 10.00 2 yrs., min. £500
Paddington	8.75	9.75	11.25	10.50	6 mths., 10.25 3 mths.
Peckham Mutual	10.50	11.00	—	—	
Portman	9.00	9.25	10.50	11.25	5 yrs., 10.30 6 mths.
Portsmouth	9.35	9.55	11.05	11.60	5 yrs., 11.00 6 mths.
Property Owners	9.25	9.75	11.20	11.25	4 yrs., 11 6 mths., 10.50 3 mths.
Provincial	9.00	9.25	10.50	10.25	5, 4, 3 yrs., 9.75 2 yrs.
Skipton	9.00	9.25	10.50	11.25	5 yrs., 10.35 wdl. 1 mth. loss int.
Sussex County	9.25	9.50	11.30	11.30	5 yrs., 10.90 4 yrs., 10.50 3 yrs.
Sussex Mutual	9.25	9.80	11.25		10.00-11.25 all with special options
Town and Country	9.00	9.25	10.50	11.25	5 yrs., 10.75 4 yrs., 10.25 3 yrs.
Walthamstow	9.00	9.50	10.50	10.30	6 mths. notice, min. £1,000
Wessex	10.50	11.20	—	12.20	min. 3 yrs., 6 mth. notice of wdl.
Woolwich	9.00	9.25	10.50	9.30	(6 mths.) rising to 11.25

*Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

Channel Hotels and Props. 13 14
Clairmace 11 ½ 12
Conroy Petroleum and Natural Res. 240*
Edinburgh Secs. 267
Exeter Building and Construction 88
GRA Property Tst. 13½ 14¼
Guernsey Press New 400
Hemerdon Mining and Smelting 80 2
Intervision Video Pfd. 32
Intervision Video 7pcCnv.Pf. 112
Island Garages 20
Javplant 8
Jenkin and Purser 9
Jenings Bros. 102 101
Kenmare Oil Exploration 24
Jersey Electricity 5½pcPf. 21
Jersey Electricity 5pcPf. 43
Jersey New Waterworks 5pcPf. 150
Jersey New Waterworks 5pc3rdPf. 145
Jessel Tst. 8½
Le Riches 225
Manchester Utd. FC 160 2 3
Mapalagama Rubber 23
Merrydown Wine 31
Nationwide Leisure 10
Nimslo European 727
Nimslo European 14pcA 1983-88 £85
NMW Computers 775 80 90 5 800
North Sea Assets 137 8
Oldham Estates 138 40 3 5
ORE 127 30
Pan Atlas 11
Quest Automation 183
Sheraton Secs. Intnl. 15 ¼ 16
Shearton Secs. Intnl. New 14¾ 15 ¼ ½ ¾
SPO Minerals 132 1
SPO Minerals New 27 9 30 2 3
Tom Hill 8 9
Tom Hill (12p) 9½
Truscon 6pcPf. 13
Twinlock 9½ 11½
Webber Electro Components 118 21
Yelverton Invs. 37

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

* Denotes Irish currency.

FEBRUARY 5

Aran Energy 338 40
Berkeley Exploration and Production (50p Paid) 225½ 7 8 30 2 5
Candecca Resources 213 14 15 16 17 18 19
Floyd Oil Participations 130 2 3 4 5
Marinex Petroleum 152 3 5 7 8 60
South West Cons. Minerals 33 4 ½ 5
Sun Oil (UK) Oil Royalty 340

FEBRUARY 4

Aran Energy 330 5 40
Berkeley Exploration and Production (50p Paid) 225 7 8 30
Candecca Resources 213 14 ½ 15 16 17 18
Floyd Oil Participations 130 2 3 7
Marinex Petroleum New (Fully Paid) 135 8 60

FEBRUARY 3

Aran Energy 330 40 5
Berkeley Exploration and Production (50p Paid) 223 5 30 3 5 7
Candecca Resources 209 10 11 12 13 14 15 16 17 18 19
Floyd Oil Participations 130
Marinex Petroleum 155 7 8 60
South West Cons. Minerals 35
Sun Oil (UK) Oil Royalty 475 80

FEBRUARY 2

Aran Energy 335 40 3 5 8 50
Berkeley Exploration and Production (50p Paid) 230 2 3 5 7
Candecca Resources 216 17 18 19 20 1 2 3 4 5
Floyd Oil Participations 133 5 8 0 42
Marinex Petroleum 153 5 7 8 60
Sun Oil (UK) Oil Royalty 470 5 7 80 2

JANUARY 30

Aran Energy 340 5 50
Berkeley Exploration and Production (50p Paid) 231 2 ½ 3 5 7
Candecca Resources 213 15 16 17 18 19 20 1 2 3 4 5
Floyd Oil Participations 134 5 8 40 2 3 4 5
Marinex Petroleum 157 8 60 2
Sun Oil (UK) Oil Royalty 470 1¼ 80

(By permission of the Stock Exchange Council)

Webber Electro Components 122
Welsh Industrial Inv. Tst. 173
Yelverton Invs. 37 ½ 8

FEBRUARY 2

Airship Inds. 95
American Oil Field Systems (Partly Paid) 64 6 8 3 5
Ann Street Brewery 255
Aston Villa FC (1 vote) 800
Baker Electronics 57
Bonusbond 148 50 1

JANUARY 30

American Oil Field Systems (Partly Paid) 63 ½ 4 6 7 8
Airship Industries 90 4
Ann Street Brewery 255 60 3 70 5
Baker Electronics 55
Bonusbond 142 6 7 50 1 2
Brint Invs. 385 90 5
Carlton Real Estates (60) 23½ 4 23
Carlton Real Estates (10p) 24 ½
Castletown Brewery 5½pcDb. £26
Castletown Brewery 4½pcPf. 33
Celtic Basin Oil Exploration 50 5 60

UK MONEY MARKET

Bank of England Minimum Lending Rate 14 per cent (from November 24, 1980)

The Treasury bill rate fell by 0.1927 per cent at yesterday's fixing to 12.4168 per cent, and the minimum accepted bid rose to £96.89 from £96.855 the previous week. Bids at that level were met as to about 23 per cent and above in full. The £100m of bills on offer attracted bids of £444.71m, and all bills offered were allotted. Next week a further £100m of bills will be on offer, replacing maturities of £200m.

In the money market day-to-day credit was in short supply, and the authorities gave assistance on a very large scale. This comprised small purchases of Treasury bills and corporation bills, as well as a large number of eligible bank bills. The market was faced with the call on Exchequer 12¼ per cent 1999 "B," and a small amount of commercial bills maturing in official hands. There was also a smal net take up of Treasury bills to finance and a small increase in the note circulation, as well as a small excess of revenue transfers to the Exchequer over Government disbursements. On the other hand banks brought forward balances a small way above target.

EXCHANGES AND BULLION

Sterling and the U.S. dollar were slightly weaker in currency markets yesterday, compared with Thursday's closing levels in London, but tended to show a firmer tendency in late trading to finish above the day's lows. Sterling's late recovery was not reflected in its trade weighted index which fell to 103.8 from 104.1, having stood at 103.9 at noon and 104.2 in the morning. Against the dollar it opened at $2.3360-2.3380 and eased to $2.3325 at noon. By mid-afternoon it had come back to $2.3375 but fell very quickly on dollar demand in thin trading to a low of $2.3225-2.3250. However the low level of business helped sterling to recover to $2.3385-2.3400 around 4 pm, and it closed at $2.3430-2.3450, a rise of 35 points from Thursday.

Against European currencies sterling finished above the day's lows, closing at DM 5.01 against the D-mark, compared with a low of DM 4.96, and Thursday's closing level of DM 5.0250. Similarly against the French franc it finished at FFr 11.5325 against FFr 11.57 previously.

The dollar suffered an early check, but soon recovered reflecting a continued bullish undertone in the U.S. unit.

Gold rose $11 an ounce in the London bullion market to close at $501-504. It touched a low in the morning of $496-499, but recovered later in the day.

THE POUND SPOT AND FORWARD

Feb. 6	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3225-2.3450	2.3430-2.3450	0.58-0.68c dis	−3.22	2.45-2.55ds	−4.27
Canada	2.7820-2.8070	2.8045-2.8065	0.80-0.90c dis	−3.63	2.95-3.10ds	−4.31
Nethlnd.	5.38-5.47	5.42-5.43	2¼-1¾c pm	4.15	5½-4½pm	3.41
Belgium	79.40-81.00	80.20-80.30	14-4c pm	1.34	16-16 pm	0.55
Denmark	15.24-15.49	15.34½-15.36½	3¾-1¾ore pm	1.88	8-2 pm	1.30
Ireland	1.3330-1.3450	1.3420-1.3430	0.02ppm-0.10ds	−0.36	0.28-0.46ds	−1.10
W. Ger.	4.96-5.05	5.00½-5.01½	2¼-1¼pf pm	4.19	4½-3½ pm	3.20
Portugal	130½-132	131.40-131.60	85c pm-40 dis	2.05	95pm-145ds	−0.76
Spain	197.50-198.80	198.70-198.80	5c pm-60 dis	−1.66	195-265dis	−4.63
Italy	2348-2384	2373-2375	6½-8½lire dis	−3.79	33½-38½dis	−5.90
Norway	12.57-12.70	12.66-12.68	2½-½ore pm	1.18	2½-½ pm	0.45
France	11.42-11.62	11.52¾-11.53¾	3¼-2¾c pm	3.38	6¾-5¾ pm	2.17
Sweden	10.72-10.82	10.79½-10.81½	2¾-3½ore dis	−3.40	12-13 dis	−4.63
Japan	470-480	477-478	2.40-2.05y pm	5.59	6.75-5.40 pm	4.67
Austria	35.30-35.75	35.60-35.65	15¾-12¾gro pm	4.71	38½-32¼ pm	3.97
Switz.	4.49½-4.57½	4.53¾-4.54¾	3¼-2¼c pm	6.93	7½-6½ pm	6.16

Belgian rate is for convertible francs. Financial franc 80.40-80.50. Six-month forward dollar 4.60-4.70c dis. 12-month 7.10-7.30c dis.

GOLD

	Feb. 6		Feb. 5	
Gold Bullion (fine ounce)				
Close	$501-504	(£214¼-215½)	$490-493	(£209¼-210½)
Opening	$497-500	(£213¼-214½)	$493-496	(£211¼-212½)
Morning fixing	$506.50	(£217.009)	$497	(£211.895)
Afternoon fixing	$500.50	(£214.623)	$498.50	(£212.635)
Gold Coins				
Krugerrand	$516-518	(£220¼-221¼)	$507-509	(£216½-217¼)
1/2 Krugerrand	$265-269	(£113¼-114¾)	$261-265	(£111½-113)
1/4 Krugerrand	$134-138	(£57¼-59)	$133-137	(£56¾-58½)
1/10 Krugerrand	$56-60	(£24-25½)	$54-58	(£23-24¾)
Mapleleaf	$514½-516½	(£219¾-220½)	$503-505	(£214½-215½)
New Sovereigns	$126½-127½	(£54-54½)	$125-126	(£53¼-53¾)
King Sovereigns	$151-153	(£64½-65½)	$149-151	(£63½-64½)
Victoria Sovs.	$151-153	(£64½-65½)	$149-151	(£63½-64½)
French 20s	$169-172	(£72-73½)	$172-175	(£73½-74¾)
50 pesos Mexico	$624-629	(£266½-268½)	$623-628	(£266-268)
100 Cor. Austria	$488-493	(£208½-210½)	$488-493	(£208½-210½)
$20 Eagles	$633-638	(£270¼-272½)	$628-633	(£268-270½)

EXCHANGE CROSS RATES

Feb. 5	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.344	5.010	477.5	11.533	4.543	5.425	2374.	2.806	80.25
U.S. Dollar	0.427	1.	2.137	203.7	4.920	1.938	2.314	1013.	1.197	34.24
Deutschemark	0.200	0.468	1.	95.31	2.302	0.907	1.083	473.9	0.560	16.02
Japanese Yen 1,000	2.094	4.909	10.49	1000.	24.15	9.515	11.36	4972.	5.875	168.1
French Franc 10	0.867	2.033	4.344	414.0	10.	3.939	4.704	2059.	2.433	69.59
Swiss Franc	0.220	0.516	1.103	105.1	2.539	1.	1.194	522.6	0.618	17.67
Dutch Guilder	0.184	0.432	0.924	88.02	2.126	0.837	1.	437.6	0.517	14.79
Italian Lira 1,000	0.421	0.987	2.110	201.1	4.858	1.913	2.285	1000.	1.182	33.80
Canadian Dollar	0.356	0.836	1.786	170.2	4.111	1.619	1.934	846.2	1.	28.60
Belgian Franc 100	1.246	2.921	6.243	595.0	14.37	5.660	6.760	2958.	3.496	100.

FT LONDON INTERBANK FIXING (11.00 a.m. FEBRUARY 6)

3 months U.S. dollars		6 months U.S. dollars	
bid 17 1/2	offer 17 5/8	bid 16 15/16	offer 17 1/16

The fixing rates are the arithmatic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

Feb. 6 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills Φ	Elegible Bank Bills Φ	Fine Trade Bills Φ
Overnight	—	14-15	14-14¼	—	—	14¼-14½	13½-14	—	—	—
2 days notice	—	—	14-14⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	14-14⅜	14⅛-14¼	—	14⅝	14½-14⅝	13¾-13⅞	—	—	—
One month	14¹⁄₁₆-15³⁄₁₆	14-14⅛	14	15⅜-15	14⅜	14½-14⅝	13¾-13⅞	12¹³⁄₁₆	13⅝-13⅜	14⅝
Two months	13⅞-13⅝	13⅝-13⅞	—	14¼-13⅞	14	13¾-13⅞	13-13⅜	12⅞	13¼-13⅛	13¾
Three months	13¼-13⅛	13¼-13⅜	13⅛-13½	13⅝-13⅜	13⅜	13⅜-13⅝	12½-12⅝	12½	12¾-12⅝	13¼
Six months	12⅞-12⅝	12¹¹⁄₁₆-12⅞	12⅝-12¾	13⅛-12¾	13⅛	13⅛	—	—	11¹³⁄₁₆	12⅞
Nine months	12⅝-12⅝	12⅝-12⅞	—	13⅛-12⅞	13	13½	—	—	—	—
One year	12⅝-12⅝	12½-12¾	12½-12¾	12⅞-12⅝	13	13½	—	—	—	—
Two years	—	—	13	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 13-13¼ per cent; four years 13⅜-13½ per cent; five years 13⅝-13½ per cent. ΦBank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12⅝ per cent; four-month trade bills 12¾ per cent.

Approximate selling rate for one-month Treasury bills 12¹¹⁄₁₆ per cent; two-months 12⁹⁄₁₆ per cent; three-months 12⅝-12⁷⁄₁₆ per cent. Approximate selling rate for one-month bank bills 13½ per cent; two-months 13¼-13⁵⁄₃₂ per cent; three-months 12½ per cent; one-month trade bills 14⅛ per cent; two-months 13⅝ per cent and three-months 13 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 15 per cent from February 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 11⅜-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 12.4168 per cent.

CURRENCY MOVEMENTS

Feb. 6	Bank of England Index	Morgan Guaranty Changes%
Sterling	103.8	−23.3
U.S. dollar	99.3	−4.8
Canadian dollar	84.6	−18.6
Austrian schilling	115.6	+20.5
Belgian franc	107.9	+9.6
Danish kroner	89.6	−10.0
Deutsche mark	117.9	+37.3
Swiss franc	133.4	+73.2
Guilder	112.5	+16.1
French franc	87.0	−8.7
Lira	61.4	−53.8
Yen	149.4	+44.8

Based on trade weighted changes from Washington agreement Decembr, 1971. Bank of England Index (base average 1975=100).

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Feb. 5	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	14¼-14½	17-17¼	18-19	9¹⁄₁₆-9¼	3-3½	9-9⅛	10½-10⅝	16-17	12-12½	8-8½
7 days' notice	14¼-14½	17⅛-17⅜	18-19	9¹⁄₁₆-9¼	5¾-4¼	9¹⁄₁₆-9⅛	10½-10⅝	17-19	11½-12	8⅛-8⅜
Month	14-14⅛	17⅜-17⅝	17¾-18⅛	9⅝-9⅞	6-6⅛	9⅝-9¾	10⁵⁄₁₆-10½	17¾-19¼	12⅛-12¼	8¹⁄₁₆-8⁵⁄₁₆
Three months	13⅝-13¾	17⅜-17⅝	17¼-17⅝	9½-9⅝	6⅜-6⁹⁄₁₆	9¹⁵⁄₁₆-10¹⁄₁₆	10¾-10¹⁵⁄₁₆	19-20	12⅝-12¾	8⁵⁄₁₆-8⁷⁄₁₆
Six months	12¹¹⁄₁₆-12⅞	16¹⁵⁄₁₆-17¹⁄₁₆	16¼-16⅝	9⅝-9¾	6½-6⅝	9¹⁵⁄₁₆-10¹⁄₁₆	11¾-11¹⁵⁄₁₆	19¼-20¼	12¾-12⅞	8¼-8½
One Year	12⅝-12¾	15¹⁵⁄₁₆-16¹⁄₁₆	15¼-15⅝	9⅞-9¹⁵⁄₁₆	6⁵⁄₁₆-6⅝	9¹⁵⁄₁₆-10¹⁄₁₆	12⅝-12⅞	19¼-20¼	12⅞-13	8⅜-8⅝

SDR linked deposits: one-month 13⁹⁄₁₆-13¹¹⁄₁₆ per cent; three-months 13⁹⁄₁₆-13¹¹⁄₁₆ per cent; six-months 13-13⅛ per cent; one year 12⅝-13⅛ per cent.

Asian $ (closing rates in Singapore) one-month —— per cent; three-months —— per cent; six-months —— per cent; one year —— per cent.

Long-term Eurodollars two years 15½-15¾ per cent; three years 15¼-15½ per cent; four years 14¹⁵⁄₁₆-15³⁄₁₆ per cent; five years 14¾-15 per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 17.20-17.30 per cent; three-months 17.05-17.15 per cent; six-months 16.40-16.50 per cent; one year 15.60-15.70 per cent.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 6	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	41.6889	+4.77	+1.61	±1.53
Danish Krone	7.72336	7.97830	+3.31	−0.45	±1.64
German D-Mark	2.48208	2.59896	+4.71	+0.95	±1.125
French Franc	5.84700	5.99107	+2.46	−1.30	±1.3557
Dutch Guilder	2.74362	2.82150	+2.84	−0.92	±1.512
Irish Punt	0.668201	0.696393	+4.22	+0.46	±1.668
Italian Lira	1157.79	1231.26	+6.35	+2.70	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Feb. 6	£	$		£ Note Rates
Argentina Peso	5226-5246	2239-2249	Austria	35.00-35.40
Australia Dollar	2.0045-2.0085	0.8580-0.8585	Belgium	80.20-81.00
Brazil Cruzeiro	165.97-161.97	69.19-69.54	Denmark	15.22-15.37
Finland Markka	9.44½-9.42½	4.0480-4.0500	France	11.44-11.54
Greek Drachma	117.067-120.088	50.82-50.92	Germany	4.97-5.01½
Hong Kong Dollar	12.33-12.37	5.2975-5.3075	Italy	2400-2480
Iran Rial	175.00*	74.10*	Japan	472-478
Kuwait Dinar (KD)	0.633-0.639	0.2732-0.2735	Netherlands	5.39½-5.44½
Luxembourg Frc.	80.20-80.30	34.24-34.26	Norway	12.52-12.62
Malaysia Dollar	5.1775-5.2100	2.2250-2.2350	Portugal	129-139
New Zealand Dlr	2.4745-2.4795	1.0585-1.0595	Spain	192¾-202
Saudi Arab. Riyal	7.74-7.80	3.3300-3.3330	Sweden	10.67-10.77
Singapore Dollar	4.80-4.85	2.0625-2.0725	Switzerland	4.49-4.54
Sth African Rand	1.8015-1.8035	0.7685-0.7690	United States	2.31½-2.33½
U.A.E. Dirham	8.54-8.60	3.6710-3.6750	Yugoslavia	83-87

Rate given for Argentina is free rate. * Selling rate.

U.K. CONVERTIBLE STOCKS 7/2/3

Statistics provided by dataSTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates♧	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.‖	Income Div.♡	Cheap(+) Dear(−)◊ Current
British Land 12pc Cv. 2002	9.71	317.00	333.3	80-97	3.8	1.0	− 0.9	− 7 to 1	17.9	89.8	22.5	+23.4
Hanson Trust 6½pc Cv. 88-93	3.03	116.00	57.1	76-82	5.7	4.4	− 1.9	− 9 to −1	6.8	6.2	− 0.5	+ 1.4
Slough Estates 10pc Cv. 87-90	5.44	261.00	187.5	78-86	3.8		− 5.9	− 6 to 1	35.4	37.5	0.8	+ 6.7
Slough Estates 8pc Cv. 91-94	24.88	126.00	78.0	80-91	6.4	4.9	9.1	8 to 17	26.8	47.1	17.5	+ 8.4

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ‖ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + Is an indication of relative cheapness, − is an indication of relative dearness. ♧ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

Buying on interest rate hopes centres on Properties
Equity uptrend strengthens in late trade—Gilts soft

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 26	Feb. 5	Feb. 6	Feb. 16
Feb. 9	Feb. 26	Feb. 27	Mar. 9
Mar. 2	Mar. 12	Mar. 13	Mar. 23

* "New time" dealings may take place from 9 am two business days earlier.

Enthusiasm about an early cut in Minimum Lending Rate heightened following the Prime Minister's hint of some relief for industry from the impact of sterling's high exchange rate. Markets got off to a slow start, but Thursday's disappointment in the absence of an MLR cut was shrugged off and the tone soon began to improve in a small turnover and further strengthened in the after-hours' trade.

After yesterday's 3.30 pm official close, business is permitted without penalty for the new Account starting next Monday and the fact that the next trading period covers three weeks gave rise to hopes that it will include the eagerly-awaited cut in the key lending rate. The mood was clearly discernible in the hourly movements of the FT 30-share index; up only 0.9 at 10.00 am, this measure was standing 4.9 up at 3.00 pm and by the close was posting a gain of 8.3 at 480.3.

Electricals were again prominent in the rise with GEC and Plessey both showing to advantage while Tate and Lyle, another index constituent, put on a particularly strong performance. The advance was fairly widespread apart from the financial sectors, and Banks were still restrained by "windfall profits" tax fears.

Gilt-edged remained subdued on expectations of the new tap issue; £1bn Treasury 12 per cent 1986 is being offered, payable £20 on application at a minimum tender price of £96. After the usual recess following release of the details at 3.30 pm, trade resumed with quotations slightly lower but they later returned to 3.30 pm levels.

Gold shares extended their rise and took the FT Gold Mines index to 325.3 for a three-day rally of 41.1 helped by the price of the metal, which again moved above $500 an ounce.

Traded options ended the week with a busy trade, 1,593 deals being completed for a week's daily average of 1,253—the highest since late November. Once again, the lion's share of business was transacted in Lonrho positions with 786 trades: the February 104's, May 100's and May 110's each attracted in excess of 200 deals. Others to stand out included Courtaulds with 185, the July 60's accounting for 100, Grand Metropolitan with 126, and Land Securities with 121.

Still haunted by thoughts of a "windfall profits" tax, the main clearing Banks eased by about 5 before mostly rallying to overnight positions. NatWest closed 2 off at 363p, after 358p. Merchant Banks also tended to give ground with Grindlays ending 5 down at 155p and Mercury Securities 4 off at 211p. In Discount Houses, Seccombe Marshall rose 10 to 265p, while Hire Purchases featured Sterling Credit, up 1¼ at 10¼p, on the proposed Convertible Preference issue which will strengthen the company's capital base. Elsewhere, Bank Leumi were raised 15 to a 1980-81 peak of 220p.

Composite Insurances with U.S. interests turned easier on reports that an American group had revealed big underwriting losses, and Royals ended 5 lower at 355p. Among Life issues, Prudential reacted 5 to 252p, but Pearl attracted scattered support and, with stock none too freely available, the price rose 6 to 442p.

Scattered support for the new Account left leading Breweries with a steady-to-firm appearance. Scottish and Newcastle added a penny to 63p. Davenports continued to feature regionals, rising 8 more to 119p on bid hopes. Wines and Spirits, however, trended easier on fears of disproportionate excise increases in the coming Budget and falls of 2 were common to Distillers, 182p, Highland Distilleries, 98p, and Arthur Bell, 166p, the last-mentioned after put option business.

Recovering quickly from Thursday's slight dullness, Building issues responded to revived interest rate optimism. Blue Circle featured with a gain of 8 to 368p, while London Brick improved 1½ to 63p. Travis and Arnold rose to 130p before settling at 125p; the price in yesterday's issue was incorrect. Construction shares were highlighted by IDC, up 8 more at 71p on the preliminary figures and dividend boost. Newarthill were similarly dearer at 340p, while George Wimpey, 95p, Barratt Developments, 172p, and Costain, 194p, rose 4 apiece. Among irregular Timbers, Montague L. Meyer advanced 4 to 78p, but May and Hassell lost that much at 82p. Elsewhere, Benlox put on 3 at 38p.

ICI nudged slowly higher to close 4 better at 296p in Chemicals, in which Blagden and Noakes added 4 at 90p and British Tar 3 at 29p. Wm. Ransom fell 5 to a 1980-81 low of 175p and Leigh Interests slipped 4 to 165p.

Buyers returned for leading Stores which ended with gains to 5. Gussies "A" firmed that much to 495p to record a rise on the week of 19. British Home, 150p, and Marks and Spencer, 126p, both added around 4, while a broker's circular lifted UDS 4 to 72p and Woolworths 3½ to 56p. Once again, speculative favourites dominated business in secondary issues. Peters hardened 2 more to 100p, as did Aquascutum "A" at 33p, and Kean and Scott at 46p. Mail-orders remained firm with Freemans, 112p, and Empire, 124p, rising 4 and 6 respectively, while major suppliers Forminster picked up 3 to 112p.

Leading Electricals staged a useful revival. GEC and Plessey being well to the fore with gains of 15 to 635p and 7 to 295p respectively. Electrocomponents took on a better appearance after the recent setbacks and rallied 10 to 645p, while Farnell picked up 3 to 355p. Bid hopes and the forecast of a return to profitability stimulated fresh demand for Muirhead which pushed ahead to close 10 dearer at 102p. On the other hand, Wholesale Fittings encountered fresh offerings and shed 5 to 220p.

Among the Engineering leaders, Tubes continued to attract buyers and put on 6 more to 182p. Hawker edged up 4 to 268p and GKN 3 to 142p. Elsewhere in the sector, comment on the preliminary figures prompted selling of Mining Supplies which reacted 11 to 130p. Still reflecting the gloomy statement on first-half trading, Brockhouse met further selling and gave up 2½ more to 28p, while the poor interim results continued to weigh on Ratcliffe Industries which fell 7 to 48p. Davy Corporation lost 4 to 146p; the OFT report on the Enserch bid is expected shortly. Smaller-priced issues to give ground included Aurora Holdings, down 3 at 19p, and Wm. Boulton, 1½ cheaper at 9p.

Stock shortage hastened a rise in Tate and Lyle, apparently reflecting the union decision to call off strike action following the temporary reprieve of the Liverpool refinery closure, and the shares rose 10 to 164p.

Reports of Intel purchasing a 10 per cent stake in Old Swan (Harrogate) from Queens Moat Houses which retained part of its holding, led to a fresh advance in Old Swan which closed at 72p for a two-day rise of 12. Press comment inspired Prince of Wales to a gain of 3 at 83p.

Barget up again

Miscellaneous industrial leaders finished on a distinctly firm note. BOC were outstanding at 119p, up 5, while Beecham, 180p, and Bowater, 192p, improved 4 apiece. Elsewhere, Barget featured with a fresh rise of 12 at 172p on continuing bid speculation. ICL rallied 4 more to 37p, while Diploma, also a particularly dull market of late, picked up 5 to 158p. Still reflecting Townsend Thoresen's pay settlement with crew members, European Ferries firmed 4 more to 155p. Gestetner A attracted buyers and put on 4 to 84p, while Erskine House closed similarly dearer at 44p. By way of contrast, Armour Trust weakened 3½ to 6½ on the slump in half-year profits. Reflecting dullness in Mining Supplies, Dobson Park eased 4 to 97p. BTR, a firm market of late, reacted 8 to 376p and Sothebys fell 10 to 423p in a limited market.

Rises among Motor Distributors were usually attributable to Press comment; British Car Auction rose 5 to 70p, while Lex Service, 90p and Harold Perry, 73p added 3 and 2 respectively. Glanfield Lawrence firmed 3 to 34p in the wake of the annual report. Elsewhere, ERF continued to make progress on recovery hopes and ended 2 better for a gain on the week of 10 at 54p.

Properties surged forward as interest rate optimism returned. Quality stocks were particularly favoured and Land Securities gained 9 to 397p, Stock Conversion a similar amount to 347p and MEPC 4 to 235p. New highs since January of last year were attained by Haslemere Estates, 8 up at 392p, and Hammerson A, 10 higher at 635p, while Great Portland, 234p, and Daejan, 184p, improved 6 apiece. Against the trend, Thames Investment eased 3 to 150p and R. Green 2 to 88p.

Cluff rise afresh

Interest in the Oil sector centred chiefly on the more speculative exploration issues. Cluff, up 25 more at 370p, continued to respond to the farm-out agreement with BP, while Clyde Petroleum improved 10 to 760p following news of the $5.6m investment programme in the U.S. Berkeley Exploration were good, 15 up at 243p, along with ORE, which gained 8 to 155p. Ranger Oil moved up 40 to 680p on the increased price of its share of oil being produced from the Ninian field. Against the trend, Woodside dipped 10 to 128p on the proposed A$175m rights issue.

Money brokers R. P. Martin attracted support ahead of next Monday's interim statement and jumped 11 to 156p. Mercantile House, on the other hand, succumbed to profit-taking and gave up 18 at 602p.

The company's forecast of a substantial increase in profits lifted Lyle Shipping 13 to 335p. Elsewhere, hopes of further rationalisation within the sector aided Reardon Smith A, 11 up at 114p.

Textiles ended the Account on a mixed note. Sidlaw advanced 7 to 107p following a broker's recommendation, while Stoddard held unchanged at 15p despite the substantial first-half deficit and passed interim dividend. Charles Early and Marriott gave up 4 to 21p, while losses of 2 were seen for British Mohair Spinners, 35p, and Reliance Knitwear, 19p.

Tobaccos took on a firmer appearance, BATs rising 4 to 268p and Imperial, annual results due Thursday, adding 1½ to 81p.

Golds advance

Mining markets ended the account in good shape. South African Golds moved ahead for the third successive day as the bullion price moved back above $500 an ounce to close $11 firmer at $502.50.

Share prices were marked up at the outset and continued to improve for most of the day befoer easing to close a fraction below the day's best owing to London profit-taking. The Gold Mines Index advanced 17.7 more to 325.3—a rise of 32.1 over the week.

In the heavyweights gains of around £2 were common to West Driefontein, £31, Western Holdings, £30, and President Brand, £19, while St. Helena rose £1¼ to £17¾ and Southvaal ¾ to £13¾.

The marginals, hard hit during the recent slide in share prices, continued their recovery. Durban Deep added 59 to 859p while Grootvlei jumped 35 to 365p and Vlakfontein 9½ to 94½p.

South African Financials generally mirrored the performance of Golds. The record profits and sharply increased dividend announced earlier in the week left UC Investments 60 higher over the week at 450p while Sentrust rose 24 to 322p—up 30 on the week—following the excellent figures announced on Wednesday.

London Financials, however, came under persistent selling pressure following a brokers' bearish circular. Gold Fields were particularly vulnerable and slipped 12 more to 428p, after 423p for a fall of 25 on the week, while Tanks shed 8 to 230p and RTZ 3 to 372p, after 365p.

Australians made progress with the market generally discounting news of the widely predicted A$175m rights issue from Woodside Petroleum.

The late rise in Strata prompted good buying of shareholders North West Mining, 6 up at 74p, and Haoma Gold, 2 firmer at 112p.

On the other hand, the speculatives showed Leichardt Exploration a further 5 cheaper at 65p—25 lower on the week—and International Mining 7 down at 60p.

FINANCIAL TIMES STOCK INDICES

	Feb. 6	Feb. 5	Feb. 4	Feb. 3	Feb. 2	Jan. 30	A year ago
Government Secs....	69.30	69.33	69.47	69.39	69.26	69.21	66.53
Fixed Interest.	71.13	71.12	70.99	70.95	70.97	70.95	67.26
Industrial Ord.........	480.3	472.0	478.9	476.6	467.6	466.3	461.4
Gold Mines	325.3	307.6	303.5	284.2	291.3	293.2	345.0
Ord. Div. Yield........	7.44	7.56	7.45	7.48	7.62	7.64	7.06
Earnings, Yld. % (full)	16.63	16.9	16.65	16.73	17.03	17.22	17.41
P/E Ratio (net) (*)..	7.35	7.23	7.34	7.31	7.18	7.10	7.05
Total Bargains........	22,938	21,454	22,079	21,312	21,745	17,715	25,675
Equity turnover £m.	—	121.29	127.48	122.36	108.22	103.91	153.03
Equity bargainstotal	—	16,826	16,582†	15,749	15,399	13,161	21,113

10 am 472.9. 11 am 475.1. Noon 476.1. 1 pm 476.6.
2 pm 476.6. 3 pm 476.9.
Latest Index 01-246 8026.
*Nil=6.79.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.
†Corrected.

HIGHS AND LOWS

	1980/81 High	1980/81 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	72.54 (21/7/80)	63.85 (7/3/80)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int ..	74.08 (24/7/80)	64.70 (10/3/80)	150.4 (28/11/47)	50.53 (3/1/75)
Ind.Ord......	515.9 (21/11/80)	406.9 (3/1/80)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines.	558.9 (22/9/80)	266.5 (18/3/80)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 6	Feb. 5
—Daily.........		
Gilt Edged...	115.2	137.6
Industrials...	100.8	98.8
Speculative.	44.5	34.5
Totals..........	70.0	70.1
5-day Avrge.		
Gilt Edged...	134.5	128.7
Industrials...	96.8	94.7
Speculative.	33.3	32.6
Totals..........	69.0	67.1

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., Feb. 6, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., Feb. 5 Index No.	Wed., Feb. 4 Index No.	Tues., Feb. 3 Index No.	Mon., Feb. 2 Index No.	Year ago (approx.) Index No.	1980-81 High	1980-81 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (211)	293.80	+1.2	14.22	5.61	8.58	290.35	293.25	292.66	288.33	241.61	299.81 (21/11/80)	208.87 (3/1/80)	299.81 (21/11/80)	50.71 (13/12/74)
2 Building Materials (26)	260.87	+0.9	17.93	6.62	6.65	258.61	258.79	257.13	255.86	236.01	268.14 (21/7/80)	194.00 (3/1/80)	270.52 (8/5/79)	44.27 (11/12/74)
3 Contracting, Construction (26)	451.53	+1.7	20.20	5.63	5.94	443.87	445.04	441.03	438.33	362.28	451.53 (6/2/81)	313.00 (3/1/80)	451.74 (4/5/79)	71.48 (2/12/74)
4 Electricals (27)	982.68	+2.1	8.91	2.66	13.86	962.21	978.31	982.22	956.56	620.17	983.55 (1/12/80)	539.56 (2/1/80)	983.55 (1/12/80)	84.71 (25/6/62)
5 Engineering Contractors (11)	389.64	−0.3	15.30	6.64	8.33	390.85	393.86	393.23	390.90	293.08	399.31 (5/1/81)	264.74 (30/5/80)	429.70 (4/5/79)	64.39 (2/1/75)
6 Mechanical Engineering (71)	170.94	+0.5	17.12	7.78	7.31	170.12	171.26	169.83	168.45	167.02	190.20 (18/7/80)	146.46 (3/1/80)	211.08 (8/5/79)	45.43 (6/1/75)
8 Metals and Metal Forming (13)	133.25	+1.2	19.79	12.53	6.40	131.73	133.45	133.39	132.73	165.23	173.09 (18/7/80)	127.24 (14/1/81)	192.29 (4/5/79)	49.65 (6/1/75)
9 Motors (21)	86.62	+0.5	22.16	9.64	5.20	86.20	87.04	87.03	86.31	113.65	115.86 (29/1/80)	84.67 (23/1/81)	170.59 (15/1/69)	19.91 (6/1/75)
10 Other Industrial Materials (16)	289.99	−0.6	15.80	7.40	7.52	291.61	293.36	291.39	288.72	0.00	293.36 (4/2/81)	277.55 (15/1/81)	293.36 (4/2/81)	277.55 (15/1/81)
21 CONSUMER GROUP (198)	245.24	+0.9	15.54	6.44	7.80	243.04	245.18	242.86	240.18	218.09	252.42 (21/11/80)	200.15 (3/1/80)	269.81 (4/5/79)	61.41 (13/12/74)
22 Brewers and Distillers (20)	265.85	+0.1	17.53	6.88	6.76	265.53	269.75	265.32	263.97	251.06	306.45 (8/7/80)	244.42 (13/1/81)	306.45 (8/7/80)	69.47 (13/12/74)
25 Food Manufacturing (23)	219.10	+0.3	17.95	7.23	6.61	218.48	219.26	216.97	216.24	203.16	226.47 (18/9/80)	183.95 (28/3/80)	236.75 (4/5/79)	59.67 (11/12/74)
26 Food Retailing (14)	466.92	+0.5	9.99	3.43	11.83	464.62	464.34	458.72	455.99	302.07	486.44 (5/1/81)	286.28 (3/1/80)	486.44 (5/1/81)	54.25 (11/12/74)
27 Health and Household Products (7)	264.73	+1.2	10.05	5.39	11.83	261.58	267.64	265.74	257.62	213.23	267.64 (4/2/81)	175.38 (28/5/80)	291.13 (14/9/78)	175.38 (28/5/80)
29 Leisure (22)	349.19	+0.5	16.01	6.55	7.70	347.48	350.69	348.81	348.83	296.61	365.42 (21/11/80)	268.87 (3/1/80)	374.32 (3/5/79)	54.83 (9/1/75)
32 Newspapers, Publishing (12)	435.99	+0.7	20.93	7.15	6.20	433.12	437.03	434.18	428.96	444.28	456.79 (1/10/80)	378.52 (3/1/80)	492.56 (8/5/79)	55.08 (6/1/75)
33 Packaging and Paper (15)	116.41	+1.0	27.43	10.43	4.22	115.22	115.63	115.06	113.50	130.23	140.51 (21/7/80)	108.85 (14/1/81)	155.65 (14/9/78)	43.46 (6/1/75)
34 Stores (44)	258.86	+1.7	11.49	4.87	11.39	254.42	256.92	255.49	251.17	217.97	262.86 (21/11/80)	188.71 (3/1/80)	273.48 (4/5/79)	52.63 (6/1/75)
35 Textiles (21)	129.31	+0.1	19.87	10.43	6.58	129.13	129.91	128.11	125.80	131.76	140.52 (14/7/80)	116.89 (6/6/80)	235.72 (17/1/67)	62.66 (11/12/74)
36 Tobaccos (3)	219.89	+1.6	26.10	10.59	4.36	216.43	215.35	212.38	210.89	215.75	240.29 (12/9/80)	192.86 (3/1/80)	339.16 (2/8/72)	94.34 (13/6/62)
39 Other Consumer (17)	232.40	+0.5	16.41	9.10	7.46	231.29	231.28	232.22	233.20	0.00	238.14 (31/12/80)	231.28 (4/2/81)	238.14 (31/12/80)	231.28 (4/2/81)
41 OTHER GROUPS (79)	214.69	+0.6	18.30	7.95	6.53	213.39	214.19	212.32	211.15	207.60	230.85 (21/7/80)	184.19 (3/1/80)	234.76 (8/5/79)	58.63 (6/1/75)
42 Chemicals (15)	281.42	+1.5	20.76	9.43	5.64	277.38	280.47	276.87	274.86	303.52	326.53 (7/7/80)	270.79 (22/1/81)	329.77 (4/5/79)	71.20 (1/12/74)
44 Office Equipment (6)	102.66	+0.1	18.13	8.09	6.54	102.54	102.12	101.74	100.82	120.24	123.10 (14/2/80)	93.19 (14/1/81)	246.06 (1/9/72)	45.34 (2/1/75)
45 Shipping and Transport (13)	550.18	+0.7	13.81	6.69	8.88	546.59	545.52	542.72	542.35	455.56	617.88 (22/8/80)	411.53 (10/1/80)	617.88 (22/8/80)	90.80 (29/6/62)
46 Miscellaneous (45)	260.27	−0.3	17.02	6.55	7.23	261.17	260.86	259.24	258.11	246.58	287.99 (31/7/80)	211.86 (3/1/80)	287.99 (31/7/80)	60.39 (6/7/75)
49 INDUSTRIAL GROUP (488)	258.26	+1.0	15.44	6.35	7.85	255.79	257.98	256.25	253.27	229.17	266.94 (21/11/80)	203.76 (3/1/80)	273.01 (4/5/79)	59.01 (13/12/74)
51 Oils (12)	875.98	—	27.42	6.01	4.06	875.69	885.95	882.00	881.25	793.69	1066.24 (19/11/80)	668.66 (8/1/80)	1066.24 (19/11/80)	87.23 (29/5/62)
59 500 SHARE INDEX	307.18	+0.8	18.10	6.27	6.50	304.87	307.69	305.78	302.96	273.67	329.58 (21/11/80)	241.13 (3/1/80)	329.58 (21/11/80)	63.49 (13/12/74)
61 FINANCIAL GROUP (118)	240.54	+0.1	—	5.55	—	240.34	240.98	239.66	239.33	196.72	260.37 (28/10/80)	175.85 (3/1/80)	260.37 (28/10/80)	55.88 (13/12/74)
62 Banks (6)	228.71	−0.3	44.73	7.46	2.68	229.32	229.83	230.66	232.71	225.11	271.75 (29/10/80)	201.01 (8/4/80)	288.32 (20/7/72)	62.44 (12/12/74)
63 Discount Houses (10)	307.79	+0.3	—	5.84	—	306.97	306.84	306.56	307.66	236.08	312.35 (21/11/80)	206.50 (18/3/80)	312.35 (21/11/80)	81.40 (10/12/74)
64 Hire Purchase (5)	217.46	−0.9	10.45	4.71	12.62	219.39	220.79	218.10	217.72	178.57	253.41 (24/7/80)	160.72 (3/1/80)	433.74 (4/5/72)	38.83 (11/12/74)
65 Insurance (Life) (10)	258.41	−0.9	—	5.10	—	260.67	260.75	258.11	257.69	169.67	272.22 (28/10/80)	151.80 (3/1/80)	272.22 (28/10/80)	44.88 (2/1/75)
66 Insurance (Composite) (9)	153.97	−0.6	—	7.60	—	154.89	156.57	154.23	152.72	130.30	183.32 (18/9/80)	117.05 (3/1/80)	183.32 (18/9/80)	43.96 (13/12/74)
67 Insurance Brokers (9)	309.23	−0.4	14.75	7.49	9.27	310.46	315.74	319.87	314.29	283.98	366.44 (18/9/80)	256.48 (3/1/80)	372.27 (11/8/78)	65.86 (16/12/74)
68 Merchant Banks (13)	147.90	−0.3	—	5.23	—	148.42	147.52	147.38	147.77	102.85	164.30 (19/11/80)	87.47 (3/1/80)	278.57 (1/5/72)	31.21 (7/1/75)
69 Property (45)	475.12	+1.6	3.12	2.60	44.47	467.60	466.25	462.73	461.26	360.84	475.12 (6/2/81)	304.20 (3/1/80)	475.12 (6/2/81)	56.01 (20/4/65)
70 Miscellaneous (11)	170.39	−0.3	16.10	5.43	7.89	170.94	171.51	171.16	172.06	133.45	173.43 (30/1/81)	119.62 (3/1/80)	303.18 (18/5/72)	33.29 (17/12/74)
71 Investment Trusts (109)	276.35	−0.2	—	5.47	—	276.84	276.94	275.33	276.35	222.32	298.64 (29/10/80)	188.97 (3/1/80)	298.64 (29/10/80)	71.63 (13/12/74)
81 Mining Finance (3)	200.76	−1.7	16.34	6.68	7.29	204.19	208.21	206.57	204.90	206.87	277.15 (30/10/80)	161.95 (1/1/80)	277.15 (30/10/80)	66.31 (30/9/74)
91 Overseas Traders (20)	432.83	−0.2	11.87	7.04	10.26	433.82	431.84	432.33	430.03	405.17	462.79 (22/10/80)	330.03 (3/1/80)	462.79 (22/10/80)	97.37 (6/1/75)
99 ALL-SHARE INDEX (750)	292.34	+0.5	—	6.12	—	290.91	293.06	291.33	289.33	256.09	313.07 (21/11/80)	225.06 (3/1/80)	313.07 (21/11/80)	61.92 (13/12/74)

FIXED INTEREST PRICE INDICES

British Government	Fri., Feb. 6	Day's change %	Thurs., Feb. 5	xd adj. today	xd adj. 1981 to date
1 Under 5 years	108.02	+0.02	108.00	—	0.89
2 5-15 years	110.10	+0.04	110.15	0.09	1.54
3 Over 15 years	114.24	[illegible]	114.37	0.12	0.64
4 Irredeemables	128.86	—	128.86	—	[illegible]
5 All stocks	110.53	+0.02	110.50	0.07	0.98

FIXED INTEREST YIELDS
British Govt. Av. Gross Red.

			Fri., Feb. 6	Thurs., Feb. 5	Year ago (approx.)	1980-81 Highs	1980-81 Lows
1	Low Coupons	5 years	11.57	11.55	12.41	13.32 (4/3/80)	11.17 (2/7/80)
2		15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3		25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Medium Coupons	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5		15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6		25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7	High Coupons	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8		15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Fri., Feb. 6 Index No.	Fri., Feb. 6 Yield %	Thur. Feb. 5	Wed. Feb. 4	Tues. Feb. 3	Mon. Feb. 2	Fri. Jan. 30	Thur. Jan. 29	Wed. Jan. 28	Year ago app'x	1980-81 Highs	1980-81 Lows	Since Compilation Highs	Since Compilation Lows
15 20-yr. Red. Deb. & Loans (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16 Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17 Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Equity Section or Group	Base Date	Base Value	Equity Section or Group	Base Date	Base Value
Other Industrial Materials	31/12/80	287.41	Industrial Group	31/12/70	128.20
Other Consumer	31/12/80	238.14	Miscellaneous Financial	31/12/70	128.06
Health/Household Prods.	30/12/77	261.77	Food Manufacturing	29/12/67	114.13
Other Groups	31/12/74	63.75	Food Retailing	29/12/67	114.13
Overseas Traders	31/12/74	100.00	Insurance Brokers	29/12/67	96.67
Engineering Contractors	31/12/71	153.84	Mining Finance	29/12/67	100.00
Mechanical Engineering	31/12/71	153.84	All Others	10/4/62	100.00
Office Equipment	16/1/70	128.20	British Government	31/12/75	100.00

† Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 25p. A fortnightly record of group and subsection indices, dividend yields and earnings figures since 1962, with quarterly highs and lows of the indices, is obtainable from the Book Sales Department, FT Business Publishing Limited, Minster House, Arthur Street, London, EC4R 9AX, at £20 per copy.

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	12	23	59	196	109	165
Corpns. Dom., and Foreign Bonds	3	10	52	68	22	235
Industrials	286	195	930	1,394	1,029	4,532
Financial and Prop.	100	103	295	584	410	1,500
Oils	27	7	35	94	102	154
Plantations	1	6	16	13	17	85
Mines	82	20	62	286	218	376
Others	83	21	53	297	186	303
Totals	674	385	1,503	2,932	2,093	7,290

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Feb. 2	Feb. 13	May 14	May 26
Feb. 16	Feb. 27	May 28	June 8
Mar. 9	Mar. 20	June 11	June 22

For rate indications see end of Share Information Service

Stocks favoured for the call included Lonrho, FNFC, Premier Oil, Woodside, Grand Metropolitan, Simmer and Jack, Racal, Turner and Newall, ICL, Consolidated Gold Fields, Rockware, A. Monk, Belhaven, BSG, R. P. Martin, D. M. Lancaster and Arrow Chemical. Puts were done in Thorn, EMI, ICI and Arthur Bell, while doubles were arranged in Lonrho, FNFC, Elsburg, Town and City Properties, Aquascutum A, Premier Oil and Phoenix Timber.

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1980/81 High	1980/81 Low	Stock	Closing Price p:	+ or −	Div. p. or Amount	Times Covered	Gross Yield	P.E. Ratio
$8	F.P.	[illegible]	[illegible]	[illegible]	Amer. Comn. Inds.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
$100	F.P.	[illegible]	[illegible]	[illegible]	Do. Notes	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
610	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Dunton	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Independent Inv.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
100	[illegible]	[illegible]	[illegible]	[illegible]	New Tokyo Inv Tst	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Sonic Sound Audio	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Westpool Inv. Dsfd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1980/81 High	1980/81 Low	Stock	Closing Price £	+ or −
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Allied London 8½% Cnv. Uns. Ln. 1999	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Chester Waterworks 9¾% Red. Pref. 1985	[illegible]	[illegible]
100p	F.P.	[illegible]	[illegible]	[illegible]	Comben 11.375% Cum. Red. Pref.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Crystalate 9½% Cnv. Uns. Ln. 99-2000	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	East Anglian Water 9¾% Red. Prf. 1985	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Essex Waterworks 8¾% Red. Prf. 1985	[illegible]	[illegible]
96	[illegible]	[illegible]	[illegible]	[illegible]	Iceland 14½% 2016	[illegible]	[illegible]
£100	[illegible]	[illegible]	[illegible]	[illegible]	Lon. Merchant Secs. [illegible]	[illegible]	[illegible]
99	[illegible]	[illegible]	[illegible]	[illegible]	Mid-Sussex W'rw'ks 14% Red. Deb. 1986-88	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Portals 9¼% Cnv. 1994-2000	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	100p	97p	Standard Industrial 11¼% Pref.	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p:	Amount paid up	Latest Renunc. Date	1980/81 High	1980/81 Low	Stock	Closing Price p:	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Benlox	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Brotherhood P.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hampton Trust	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Johnson, Matthey	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	KCA Intl.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	North Kalgurli Mines	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Norcros	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Prestwich Parker	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Royal Insurance	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Security Centres	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Warren Plants	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

NEW HIGHS AND LOWS FOR 1980/81

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980-81.

NEW HIGHS (48)

INTERNATIONAL BONDS (1)
5pc Stock '77-82

AMERICANS (3)
Bankers N.Y. Continental Illinois
Bendix Corp.

CANADIANS (1)
Canadian Imp. Bank

BANKS (2)
Bank Leumi (UK) Joseph (Leo.)

BUILDINGS (4)
Bett Bros Lovell (Y. J.)
Carr (John) Magnet & Southerns

STORES (2)
Kean & Scott Marks & Spencer

ELECTRICALS (1)
Plessey

ENGINEERING (2)
Firth (G. M.) Haden Carrier

INDUSTRIALS (8)
BOC Intl. Kennedy Smale
Barget Macarthys Pharm.
Erskine House Russell (A.)
Franklin Mint Swedish Match

LEISURE (1)
Horizon

MOTORS (1)
British Car Auction

NEWSPAPERS (1)
Collins (Wm.) A

PAPER (2)
Brunning Grp. Do. Restric. Vtg.

PROPERTY (12)
Avenue Close Haslemere
Country & New Town Prop. Sec. Inv.
Daejan Slough Prop.
Fairview Ests. Rosehaugh
Greycoat Ests. Stock Conversion
Hammerson A Winston Ests.

SHIPPING (2)
Lyle Shipping Reardon Smith A

OILS (1)
ORE

OVERSEAS TRADERS (2)
Paterson Zochonis Do. A N/V.

MINES (2)
Supreme Corp SPO Minerals

NEW LOWS (22)

AMERICANS (1)
Damson Oil

BEERS (1)
Tomatin

BUILDING (1)
Cement-Roadstone

CHEMICALS (2)
BASF AG Ransom (Wm.)

ELECTRICALS (1)
Normand Electrical

ENGINEERING (11)
Aurora Renold
Castings Richardsons Westgarth
Mitchell Somers Spencer Gears
Neepsend Utd. Wire
Priest (Ben.) Wood (S. W.)
Ratcliffe Industries

INDUSTRIALS (2)
Armour Trust Bodycote Intl.

TEXTILES (1)
Martin (A.)

MINES (2)
Leichardt Expln. Barymin

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Frankfurt Trust Investment—GmbH
Neue Mainzer Strasse 74-76, D-6000 Frankfurt

Phoenix International
PO Box 77, St. Peter Port, Guern. 0481 26741

Inter-Dollar Fund	US$3.08	3.24	−0.05	—
Far East Fund	US$2.49	2.60	−0.01	—
Intl. Currency Fund	US$1.60	1.70	−0.07	—
Dollar Fxd. Int. Fund	US$2.28	2.46	+0.02	—
Ster. Exempt Gilt Fd.	£1.41	1.52	+0.01	—

Providence Capitol Life Ass. (C.I.)

[illegible]

NOTES

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mgrs. (a)

Allen Harvey & Ross Unit Tst. Mgrs.

Allied Hambro Ltd. (a) (g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.

Barclays Unicorn Ltd. (a)(c)(g)

Baring Brothers & Co. Ltd.

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia Trust Management (a) (c) (g)

The British Life Office Ltd.

Brown Shipley & Co. Ltd.

Canada Life Unit Tst. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Car. Sebag Unit Trust Managers

Charities Charities N/R Fund

Charities Official Invest. Fund

Chieftain Trust Managers Ltd.

Confederation Funds Mgt. Ltd.

Compound Unit Tst. Mgrs. Ltd.

Crescent Unit Tst. Mgrs. Ltd. (a)(g)

Darlington Unit Trust Mngt. Ltd.

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmt. Ltd.

Equity & Law Un. Tr. M.

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Trust Mgrs. Ltd.

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a)(c)(g)

Hill Samuel Unit Tst. Mgrs.

Investment Intelligence Ltd.

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General (Unit Tst. Mngrs.) Ltd.

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd.

Lloyds Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Trust

M & G Group (y)(c)(z)

Manulife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mngmt. Ltd.

Murray, Johnstone U.T. Mgmt.

Mutual Unit Trust Managers

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd.

Northgate Unit Trust Managers Ltd.

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt.

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd. (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

For Saturn Fund Mngt. see SIMCO

Save & Prosper Group

Scottish Equitable Fnd. Mgrs. Ltd.

Security Selection Ltd.

SIMCO Money Funds

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mgrs. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co. (y)

TSB Unit Trusts (y)

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

Wieler Growth Fund

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Black Horse Life Ass. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London A'deen & Nthn. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Planned Savings Group

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capitol Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Standard Life Assurance Company

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Arbuthnot Securities (C.I.) Limited

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Intl. Investment Mngmt. Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capitrex S.A.

Capital Asset Managers Ltd.

Capital International Fund S.A.

Charterhouse Japhet

Cleveton Commodities (Isle of Man) Ltd.

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

Cortuna International

Craigmount Fixed Int. Mngrs. (Jersey)

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F & C Mgmt. Ltd. Inv. Advisers

Fidelity International Ltd.

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1980-81 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
99$\frac{13}{16}$	93$\frac{7}{8}$	Treasury 9¾pc 1981‡‡	99$\frac{13}{16}$	......	9.79	12.82
98$\frac{5}{8}$	91¼	Exch. 8¼pc 1981	98$\frac{5}{8}$	......	8.39	13.14
98$\frac{5}{16}$	92¼	Exch. 9½pc 1981	98$\frac{5}{16}$	......	9.64	12.73
95$\frac{3}{8}$	85½	Exch. 3pc 1981	95$\frac{3}{8}$xd	......	3.15	12.36
99$\frac{11}{16}$	96½	Treas. Variable '81§§	99$\frac{3}{16}$	......	13.22	14.13
100$\frac{3}{16}$	95$\frac{5}{16}$	Exch. 12¾pc 1981‡‡	100$\frac{3}{16}$	+$\frac{1}{16}$	12.72	12.37
96$\frac{5}{16}$	88½	Treas. 8½pc '80-82‡‡	96$\frac{1}{16}$	......	8.81	12.64
94$\frac{5}{8}$	82½	Treasury 3pc '82‡‡	94$\frac{3}{8}$xd	......	3.18	8.92
102¼	96$\frac{5}{8}$	Treasury 14pc '82‡‡	101¼	–$\frac{1}{16}$	13.82	12.73
98$\frac{7}{8}$	94¼	Treas. Variable '82§§	98½	......	13.31	14.29
94$\frac{5}{16}$	86$\frac{1}{8}$	Treasury 8¼pc '82	£94$\frac{7}{16}$	......	8.73	12.70
94$\frac{5}{16}$	86$\frac{5}{8}$	Exch. 9¼pc 1982	94$\frac{5}{16}$	......	9.79	13.14
93$\frac{5}{16}$	85	Exch. 8¾pc 1983	93$\frac{7}{16}$	......	9.36	12.71
87$\frac{5}{8}$	76½	Exch. 3pc 1983	87$\frac{3}{8}$xd	......	3.43	10.03
98$\frac{11}{16}$	90$\frac{7}{8}$	Treasury 12pc 1983‡‡	97¾	–$\frac{3}{16}$	12.27	13.26
96$\frac{11}{16}$	90$\frac{5}{8}$	Treas. Variable '83 §§	96$\frac{5}{8}$	......	13.57	14.83
93¼	84½	Treasury 9½pc '83	92¼	–$\frac{1}{8}$	9.97	12.81
102¼	94¼	Exch. 13½pc '83	100$\frac{13}{16}$	–$\frac{1}{8}$	13.39	13.10
93¾	84½	Exch. 10pc 1983	92¼	–$\frac{1}{8}$	10.78	13.11
85$\frac{5}{8}$	76½	Funding 5½pc '82-84‡‡	85½	–$\frac{1}{8}$	6.43	11.45
97$\frac{1}{16}$	87¼	Exch. 11¼pc 1984	95$\frac{1}{2}$xd	–$\frac{1}{16}$	11.78	13.11
104$\frac{1}{16}$	94½	Exchequer 14pc 1984	102$\frac{3}{16}$	–$\frac{1}{8}$	13.68	13.09
78¾	68¾	Exch. 3pc 1984	78$\frac{5}{8}$	......	3.82	10.75
99$\frac{5}{8}$	88$\frac{5}{8}$	Treasury 12pc 1984	96¾	–$\frac{1}{8}$	12.40	13.13
109$\frac{3}{16}$	98	Treasury 15pc 1985	106$\frac{7}{16}$	–$\frac{1}{8}$	14.09	12.92
40$\frac{11}{16}$	40$\frac{1}{8}$	Exch 12pc Cv '85 (£40 pd)	40$\frac{3}{16}$	–$\frac{1}{8}$	12.33	12.87
73½	69	Treasury 3pc 1985	73¼	–$\frac{1}{8}$	4.09	11.08

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

FINANCE, LAND—Continued

OIL AND GAS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australian

1980-81 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
37	21	Acmex 50c	37	+2	Q2.5c	—	3.4
28	12	ACM 20c	17	......	—	—	—
*199	46½	Bond Corp.	152	+2	Q7.5c	1.9	2.4
156	80	Bougainville 1 Kina	82	+1	ttQ2.2	1.8	16.5
*350	221	CRA 50c	240	+2	tQ15c	2.1	3.1
25	11½	Canada Northwest	19	......	—	—	—
42	8	Carr Boyd 20c	22	+1	—	—	—
545	152½	Central Pacific	300	−5	—	—	—
36½	9¼	Cons. Gold Min. N.L. 50c.	35	......	—	—	—
47	17	Cultus Pacific N.L.	41	......	—	—	—
52	20	Eagle Corp. 10c	30	......	—	—	—
41	15¼	Endeavour 20c	34½	......	—	—	—
600	175	G. M. Kalgoorlie 25c	355	+5	tQ13c	ϕ	0.4
46	13	Great Eastern	13	......	—	—	—
*275	117	Hampton Areas 10p	230	......	t2.5	2.4	1.6
*168	30	Haoma Gold N.L.	112	+2	—	—	—
95	15	Intl. Mining	60	−7	—	—	—
390	11	Kitchener NL 25c	385	+15	—	—	—
720	65	Leichardt Expln.	65	−5	—	—	—
500	300	Meekatharra	360	......	—	—	—
48	7	Metals Energy	16	−4	—	—	2.6
91	41	Metals Ex. 50c	53	......	§Q3c	2.9	2.8
39	8½	Metramar Min. 20cts.	25	−1	—	—	—
284	150	M.I.M. Hldgs. 50c	198	+4	ttQ7.6c	1.7	‡
36	7	Minefields Expl. 25c.	16	......	—	—	—
155	60	Mount Lyell 25c	84	......	tQ15c	1.7	8.8
28	15	Newmetal 20c	18	......	—	—	—
69	13	Nickelore N.L.	56	......	—	—	—
214	137	North B. Hill 50c.	158	......	Q18c	3.1	5.7
*106	31	Nth. Kalgurli	60	+1	—	—	—
165	90	Nth. Mining Corp.	96	......	—	—	—
*144	24	N. West Mining N.L.	74	+6	—	—	—
*132	52	Oakbridge 50c	115	......	tQ12c	1.1	5.1
200	70	Oilmin N. L.	150	......	—	—	—
240	128	Pacific Copper	170	......	—	—	—
620	255	Pancont'l 25c	525	+25	—	—	—
78	42	Paringa M&Ex.5p	49	......	—	—	—
625	335	Peko-Wallsend 50c.	415	+5	tQ17.5c	ϕ	2.1
230	85	Seltrust A	95	+5	—	—	—
206	57½	Southern Pacific	110	......	—	—	—
100	31	Swan Resources 20c.	59	......	—	—	—
34	8	West Coast 25c	14½	......	—	—	—
332	177	Westn. Mining 50c.	233	−2	Q14c	1.6	3.0
45	10	Westmex	24	+2	—	—	—
108	54	Whim Creek 20c.	58	+4	—	—	—
101	10½	York Resources	84	+1	—	—	—

Tins

1980-81 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	10	Amal Nigeria 1p	14	......	‡6.0	—	—
370	255	Ayer Hitam $M1	275	−5	Q205c	1.0	14.4
72	42	Beralt Tin	67	+2	4.5	3.2	9.6
308	149½	Berjuntai $M1	270	−10	Q85c	ϕ	6.3
230	135	Geevor	150	......	‡8.4	1.9	‡
12½	8½	Gold & Base 12½p	8½	......	—	—	—
810	310	Gopeng Cons.	660xd	......	221.0	ϕ	4.5
450	280	Hongkong	415	......	‡35.87	ϕ	‡
145	90	Idris 10p	125xd	......	26.0	ϕ	6.9
15	12½	Jantar 12½p	14	......	1.5	ϕ	15.3
118	64	Kamunting $M0.50	98	......	‡Q80c	1.0	‡
600	150	Killinghall $M1	600	......	Q100c	ϕ	3.3
128	48½	Malay Dredging 10c.	114#	......	ϕhQ38c	0.9	6.4
42	26	Pahang	36	......	0.44	0.3	1.8
120	83	Pengkalen 10p	100xd	......	3.5	ϕ	5.0
415	†230	Petaling $M1	370	......	Q180c	ϕ	9.4
44	18	South Crofty 10p	20	......	‡1.0	ϕ	‡
305	210	Sungei Besi $M1	210	......	‡Q480c	1.1	‡
110	22½	Supreme Corp. $M1	118	+18	ϕQ15½c	ϕ	2.7
125	90	Tanjong 15p	117xd	......	21.5	ϕ	1.9
115	78	Tongkah H. Tin $M1	85	......	Q23%	0.4	5.4
480	220	Tronoh $M1	400	......	‡Q250c	0.7	‡

Copper

1980-81 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
260	130	Messina R0.50	185	+10	Q45c	4.7	13.9

Miscellaneous

1980-81 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
180	78½	Anglo-Dominion	153	+3	—	—	—
97	40	Barymin	40	−2	—	—	—
17	12	Burma Mines 10p	15	−½	0.62	1.1	6.0
445	53	Colby Res. Corp.	250	−10	—	—	—
502	210	Cons. Murch. 10c.	210	......	tQ30c	1.8	8.2
180	75	††Hemerdon 10c.	82	+5	—	—	—
225	36	Highwood Res.	160	−5	—	—	—
585	315	Northgate C$1	315	−5	—	—	—
*486	322	R.T.Z.	372	−3	t16.0	3.2	6.1
£115	£94½	Do. 9¾%Cu.Un.Ln.'95-2000	£96	......	Q9½%	—	10.2
142	91	††SPO Minerals 10p	142	+2	—	—	—
58	26	Sabina Inds. C$1	40	......	—	—	—
51	29	††SWCM 10p	34	......	—	—	—
650	411	Tara Exptn. $1	480	+5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a): not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ** Regional price.
- ‖ No par value.
- ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −	IRISH Stock	Price	+ or −
Albany Inv. 20p	40	......			
Bertam	12	......	Conv. 9% '80/82	£93⅝	......
Bdg'wtr. Est. 50p	555	......	Nat. 9¾% 84/89	£75½	......
Craig & Rose £1	£11⅛	......	Fin. 13% 97/02	£86¼	......
Fife Forge	41	......	Alliance Gas	52	......
Finlay Pkg. 5p	21	+1	Arnott	220	−5
Graig Ship. £1	£21	......	Carroll (P.J.)	80	......
Higsons Brew	70	......	Concrete Prods.	90	......
Holt (Jos) 25p	360	......	Heiton (Hldgs.)	32	......
I.O.M. Stm. £1	172	+2	Ins. Corp.	405	......
Pearce (C. H.)	685	......	Irish Ropes	40	......
Peel Mills	60	......	Jacob	38	......
Sheff. Refrshmt	95	......	T.M.G.	24	......
Sindall (Wm.)	130	......	Unidare	82	......

OPTIONS

3-month Call Rates

Industrials					
A. Brew	7	I.C.I.	28	Utd. Drapery	6½
BOC Intl.	9	"Imps"	7	Vickers	14
B.S.R.	4½	I.C.L.	9	Woolworths	5
Babcock	11	Inveresk	3	**Property**	
Barclays Bank	40	Ladbroke	24	Brit. Land	8
Beecham	15	Legal & Gen.	20	Cap. Counties	11
Blue Circle	30	Lex Service	9	Land Secs.	35
Boots	20	Lloyds Bank	28	MEPC	20
Bowaters	20	"Lofs"	4	Peachey	8
B.A.T.	25	London Brick	6	Samuel Props.	15
Brown (J.)	6½	Lucas Inds.	28	Town & City	2¼
Burton	10	"Mams"	20	**Oils**	
Cadburys	6	Mrks. & Spncr	9	Brit. Petroleum	36
Courtaulds	6	Midland Bank	32	Burmah Oil	19
Debenhams	8	N.E.I.	7	Charterhall	11
Distillers	17	Nat. West. Bank	32	KCA	22
Dunlop	7½	P & O Dfd.	12	Premier	10
Eagle Star	22	Plessey	25	Shell	40
F.N.F.C.	3½	Racal Elect.	32	Tricentrol	34
Gen. Accident	30	R.H.M.	4	Ultramar	48
Gen. Electric	50	Rank Org.	16	**Mines**	
Glaxo	22	Reed Intnl.	18	Charter Cons.	28
Grand Met.	14	Sears	4½	Cons. Gold	45
G.U.S. 'A'	48	Tesco	5½	Lonrho	10
Guardian	32	Thorn	28	Rio T. Zinc	45
G.K.N.	16	Trust Houses	18		
Hawker Sidd	20	Tube Invest.	18		
House of Fraser	15	Unilever	50		
		U.D.T.	4½		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES
Saturday February 7 1981

MAN OF THE WEEK

UK jeans sew up the Czechs

BY PAUL CHEESERIGHT

THE DESK in Michael Cooper's London office faces east. The symbolism is unintentional but appropriate. This week he unveiled a jeans joint venture agreement which beds the Lee Cooper group firmly into the Comecon market.

There is the hope that this agreement — a licensing deal which will cost Czechoslovakia £25m over six years to have Lee Cooper trade-mark jeans manufactured locally—may in the years to come be followed by others. "We have points of contact with Hungary and Bulgaria and avenues into the USSR," Mr. Cooper notes.

Licensing arrangements overseas are a vital part of Lee Cooper's expansion strategy, a way of spreading the product

Mr. Michael Cooper

"We had to spend thousands on legal and trade mark fees"

for a fee where direct manufacturing investment might be uneconomic or impossible to arrange.

And East Europe is the first target. The Czechoslovak deal, the first time a West European jeans manufacturer has had branded products made in the East Bloc market outside the USSR, follows an arrangement in Yugoslavia.

As managing director of Lee Cooper Licensing Services, Mr. Cooper is in charge of this expansion. It was he who made the first contacts with the Czechoslovak authorities and worked through two years of negotiations in Bratislava.

At the very least this has been valuable international schooling for a man who looks likely to take over a group which for years has seen itself in a world rather than a domestic role.

He is 35 now and has spent most of his working life with what remains largely his family's company. The intention is to keep it that way — as much as one can in circumstances of high taxation," he says. Half of the shares are held in the Cooper family or in family trusts. Since 1977 his own stake has been just over 13 per cent, the largest single shareholding.

His father, who has been running the company since the year Michael was born and has presided over a consistent growth in profits and a steady geographical expansion, will be retiring soon. Michael, although both scion and a main board director, expects to wait at least five years for the top job.

By then the group as a whole may have changed shape considerably. For a start, its manufacturing capacity will be increased. Mr. Cooper talks in terms of one or two new factories every three years. The group is already strong in north west Europe, a factory is coming on stream in Greece, while Portugal and Spain beckon.

And in the longer term there is the U.S., where Lee Cooper may one day decide to compete directly with the giants of the jeans industry, Levi Strauss and Wrangler.

All of this Mr. Cooper will see from the boardroom. His immediate task is to add to the string of licensing agreements. "The operation was self-sufficient without Czechoslovakia. Now it is secure," he says.

After East Europe, the next priority for licensing agreements is mainland Asia, to supplement those around the rim in places like Japan and the Philippines. And after that east, central and west Africa. All are markets with rising or potentially higher consumer expenditure, susceptible, it is felt, to Lee Cooper design, manufacturing expertise and marketing experience.

But the search for partners to spread the jeans culture, and the negotiations with them, can be time-consuming and expensive. In Czechoslovakia, one of the difficulties Mr. Cooper had to face was negotiating on five different fronts at once, with each of the State organisations involved.

"And we had to spend tens of thousands of pounds on legal and trade-mark fees," he notes.

Britain pressed to agree EEC fisheries policy

BY ROBERT MAUTHNER IN PARIS

FRANCE has joined forces with West Germany to press Britain to agree a common fisheries policy for the European Community as quickly as possible.

The decision to make representations to Mrs. Margaret Thatcher was taken by President Giscard d'Estaing of France and Herr Helmut Schmidt, West German Chancellor, on the last day of their Paris summit meeting yesterday.

While the form and timing of the approach has yet to be worked out, officials from both sides indicated they thought the British Government's attitude was the main obstacle to agreement within the EEC.

The move follows threatening hints earlier this week from Herr Josef Ertl, West German Agriculture Minister, who suggested that last year's agreement to pay Britain refunds from the EEC budget could be compromised if the fish talks were not settled quickly.

The Chancellor's spokesman, Herr Kurt Becker, said Herr Schmidt was extremely anxious about the damage being done to the West German fishing industry by the absence of a common EEC fishing policy.

"Most of the German fishing fleet is stuck in the ports," he said.

He did not, however, repeat the threatening hint dropped last Wednesday by Herr Ertl.

After talks with his French opposite number last week, Mr. Peter Walker, Britain's Minister of Agriculture and Fisheries, said he was "not over-optimistic" about the prospects for an agreement on a common policy at next Monday's Ministerial meeting in Brussels.

The main difference between Britain and France is that of French rights to fish in what Paris regards as "traditional" grounds in Britain's inshore waters.

West Germany is eager to agree a common policy because until this is settled Britain is obstructing a reciprocal deal which will allow West German distant water trawlers to fish off the coast of Canada.

French and West German Agriculture Ministers also reached agreement in principle on the progressive abolition over the next two years of "positive monetary compensatory amounts" on farm products traded within the EEC.

These are special taxes, currently applied in West Germany and the UK, which neutralise the effect of currency fluctuations on prices and make French farm exports more expensive than they would otherwise be.

Richard Mooney writes: In London a Ministry of Agriculture official said Mr. Walker was determined to stick out for a Common Fisheries Policy which would offer a prosperous future to UK fishermen however much pressure was put on him at the council meeting.

Britain had already offered the French generous access to its waters based on past catches off the South Coast of England, he said. "The Minister is not ready to concede anything more." He was equally firm in his opposition to deals with non-EEC countries in the absence of full Community agreement on fisheries, and would not agree to the swap deal under which German vessels would be allowed to fish off Canada in return for reduced levies on imports of Canadian fish

Price fall upsets Eurobonds

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

PRICES of fixed rate dollar Eurobonds fell sharply yesterday, prompting the abrupt withdrawal of two of the new issues launched on Thursday. A third bond—$100m for the Canadian Imperial Bank of Commerce, which was firmly expected in the market—has also been postponed.

The two issues withdrawn were both for $100m with coupons of 13½ per cent. One was a 10-year issue for British Columbia Railways and the other a three-year bond for the Chicago-based bank, Continental Illinois.

Bankers said the terms were simply unattractive to investors in the present market conditions. The bonds were withdrawn amid increasing signs that lead managers which try to float such issues are facing difficulty finding other banks to assist them with the launch at the co-manager level.

The two issues had met a fairly chilly reception when they were launched on Thursday night, but with yesterday's market deterioration—average falls in the secondary market were about ¾ point, though selected issues fared much worse—it became clear that the bonds would not sell.

Trading was confused and nervous throughout the day as rumours continued to abound of more new issues in the pipeline to add to the $400m-worth of new bonds launched on Thursday.

But only after the withdrawal of $200m of this amount and evidence of apparent reticence by other potential borrowers did the market regain some of its composure. Prices closed off their lowest levels on light short covering.

The only new deal launched yesterday was a $250m Floating Rate Note (FRN) managed by Credit Suisse First Boston for Citicorp. This issue has a maturity of only three years and three months, the shortest ever seen on such a note, and bears interest at the London Interbank bid rate for three-month Eurodollars.

The Citicorp issue also bears warrants allowing the holders to purchase 12¾ per cent, fixed rate 10-year bonds at par from the same borrower. The warrants thus provide an added incentive to investors who believe that long-term rates could turn lower between now and when they expire next September.

P&O and Baltic in sea pay talks

BY PAULINE CLARK, LABOUR STAFF

TWO MORE major shipping companies, P & O and United Baltic Corporation, held separate talks with union leaders yesterday as the likelihood of the national seamen's pay dispute being settled this weekend receded.

No conclusion was reached with either company although the union claimed both indicated a readiness to meet its demand for overtime rates of time and a half which could breach the 12 per cent pay rise barrier set by the General Council of British Shipping.

The two companies are not expected to make any further move until the outcome of talks planned for today and tomorrow at the offices of the Advisory Conciliation and Arbitration Service when a fresh attempt wil be made to bring the two sides to the negotiating table.

Pressure has built up on both sides over the past week for an end to the month-long campaign of industrial action which has caused the worst disruption to British shipping since the 1966 strike.

The union said yesterday, however, it was "not at all optimistic" about the ACAS talks in view of repeated statements by the shipowners that they could not afford to go beyond their rejected 12 per cent offer without seriously jeopardising their competitive position in world shipping trade.

The shipowners have offered to restructure the 12 per cent formula but have so far rejected the union's demand for independent arbitration on the dispute.

The talks with P & O yesterday followed a settlement earlier this week between the NUS and Townsend Thoresen, one of its main rivals in the cross-Channel ferry service.

The settlement conceded time and a half for all overtime rates for ferrymen in Southampton on consolidated pay rates. It was believed to slightly exceed 12 per cent although the shipowners' council has strongly maintained the deal is within its guidelines.

P & O said last night that talks had taken place with the NUS but "we are continuing to follow the council's guidelines."

The shipowners' council said yesterday that 198 ships were held up by strikes of which 117 were in UK ports and 81 abroad.

General Motors 'plans Korean venture'

BY RICHARD HANSON IN SEOUL

GENERAL MOTORS, the world's biggest motor company, is believed to be considering a joint venture to produce its "world car" in South Korea in a deal which could be worth $500m and which could produce 300,000 cars a year.

GM is working towards an agreement — expected to be reached in the next few weeks—with a South Korean partner, a high-ranking Government official said yesterday.

Such a venture could be a key element in a general reorganisation of the country's motor industry under discussion between GM and the Government.

The company said in Detroit yesterday, however, that it had "no knowledge of any particulars such as those referred to by Korean Government sources."

If agreed, the project would be one of the largest manufacturing investments in Asia (outside Japan), and the biggest foreign venture in Korea ever. It would also represent a step towards transforming South Korea's ailing motor industry into one which could compete internationally.

Daewoo, the large Korean group, thought to be a potential partner for GM because of the 50-50 joint motor company they already run in the country, was unable to comment. GM officials were not available in Seoul to corroborate the Government official's claims.

The official said that under the very tentative outline of the plan, a new company would be formed to build a plant by 1983 or 1984 for which the "optimum" level of production would be about 300,000 cars a year—about half of which would be exported as part of GM's world car strategy.

It is estimated an assembly plant of that capacity would cost about $300m to $500m. Investment in building up local parts manufacturers could raise the cost to as high as $1bn, the official said.

The Daewoo group joined GM in 1978 to assemble cars in a joint venture called Saehan Motors, the second largest motor company in Korea.

Continued from Page 1

Vauxhall cash

was in 1979, when it reached £31.27m on sales of £819.5m.

GM pumped £29.7m into Vauxhall at the end of 1979 by way of new capital and loans to help cover the losses.

Although Vauxhall's car sales in the UK fell last year from 112,393 to 109,218, it outperformed the market and increased its share from 6.5 to 7.2 per cent.

Mr. McDonald stressed yesterday: "We do not see Vauxhall just as an assembly operation and we have no intention of turning it into an assembly-only business."

He insisted there was no reason that Vauxhall should not start exporting cars again (it gave up nearly all its Continental markets last year) "if it can get its costs right."

Before he left Heathrow airport for the U.S. Mr. McDonald met the 14 conveners representing both staff and hourly-paid employees at Vauxhall's three plants—Luton, Dunstable and Ellesmere Port.

Mr. McDonald said again that Vauxhall will spend about £10m to introduce assembly of the Astra, at present imported from Opel in West Germany, at Ellesmere Port on Merseyside, and a further £20m for facilities at Luton for the "J" car, a replacement for the Cavalier.

Continued from Page 1

D-Mark

dya, requiring intervention support from the Belgian National Bank.

The strains in the EMS came under discussion yesterday in Paris, where Chancellor Helmut Schmidt and President Valery Giscard d'Estaing concluded two days of meetings.

Officials at the talks said it was up to central banks to take appropriate intervention measures.

But technical steps to ease strains in the system have not been ruled out, and these may be discussed at the regular monthly meeting of central bankers in Basle next Monday and Tuesday.

Sharp drop in coal consumption forecast

By Martin Dickson, Energy Correspondent

EXTREMELY GLOOMY forecasts of demand for coal to the mid-1980s have been issued by the National Coal Board on the eve of crucial talks with union leaders on production cuts and pit closures.

The NCB estimates that consumption will fall from 128m tonnes in 1979-80 to 124m tonnes this year and 121m tonnes in 1985-86. It blames the drop largely on the recession.

The figures will be given in more detail to union leaders next Tuesday, when Sir Derek Ezra, the NCB chairman, will call on them to accept substantial cuts in production.

This seems certain to mean a programme of accelerated pit closures, and could set off a major clash between the NCB and the unions.

Yorkshire miners voted this week to back industrial action if necessary to resist pit closures.

The NCB is not expected to issue a bald closure list, but to set figures for production cuts, which would then be negotiated by management and unions in each of the 12 NCB areas. Hardest hit will be the NCB's heaviest losing areas, including South Wales and the North-East.

The need for cuts is a severe psychological blow to the NCB. Its production has just started rising, the result of more than five years of heavy investment and an important productivity deal with the miners.

The investment programme is designed to meet a substantial rise in coal demand expected in the long term.

But growth is not coming as quickly as forecast when the programme was drawn up in the mid-1970s. It was then estimated that 1985 demand would be 130m-150m tonnes, much higher than present figures.

The NCB forecasts are in Coal News, its official newspaper, distributed to collieries yesterday.

It estimates that power stations, the biggest market for coal, will use only 85m tonnes in 1985-86, some 4m tonnes less than 1979-80. Reasons include lower electricity demand and commissioning of new nuclear stations.

Ironically, the NCB problems come at a time when international trade in coal is expanding rapidly. It wants to raise exports from 4m tonnes now to over 5m, but cannot go much beyond this.

Maximum sales it says it can hope to achieve in the next few years is about 120m tonnes a year, compared with 125m tonnes in 1978-79.

To help achieve this it must persuade the CEGB to phase out its coal imports.

Weather

UK TODAY

MILD, cloudy, rain.
London, SE, SW and CS England, S Wales, Channel
Drier later. Max. temp. 13C (55F).
E Anglia, Midlands, E, CN and NE England
Mist at first. Max. temp. 12C (54F).
Moray Firth, NE Scotland, Orkney, Shetland
Gales. Max. temp. 7C (41F).
N Ireland
Max. temp. 12C (54F).
Rest of England, Wales, Scotland, IoM
Gales. Max. temp. 10C (50F).
Outlook: Rain at first. Sunny intervals, showers, becoming colder, night frost.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	12	54	London	F	13	55
Algiers	S	16	61	L. Ang.†	C	12	54
Amsdm.	C	7	45	Luxmbg.	C	5	41
Barclna.	S	14	57	Madrid	S	11	52
Beirut	S	18	64	Majorca	S	16	61
Belfast	R	11	52	Malaga	S	17	63
Belgrd.	S	3	37	M'chstr.	C	10	50
Berlin	S	4	39	Melbne	C	21	70
Biarritz	S	12	54	Miami†	S	18	64
Bmghm.	C	12	54	Milan	C	8	46
Blackpl.	C	9	48	Montrl.†	F	−11	12
Bordx.	C	12	54	Moscow	C	2	36
Boulgn.	C	8	46	Munich	Sl	2	36
Bristol	C	11	52	Nairobi	S	27	81
Brussels	C	7	45	Naples	C	8	46
Budpst.	S	5	41	Nwcstl.	C	12	54
Cardiff	C	10	50	N York†	C	−4	25
Cas'b'ca	S	15	59	Nice	S	13	55
Chicg.†	C	−4	25	Nicosia	R	13	55
Cologne	R	6	43	Oporto	S	16	61
Cpnhgn.	C	2	36	Oslo	Sl	1	34
Denver†	S	−10	14	Paris	C	9	48
Dublin	C	12	54	Prague	S	2	36
Dbrvnk.	S	7	45	Rykjvk.	Sn	−3	27
Ednbgh.	C	12	54	Rome	F	9	48
Faro	S	19	66	Salzbrg.	Sn	0	32
Florence	C	9	48	S'cisco†	S	7	45
Frankft.	R	4	39	Singapr.	C	30	86
Funchal	C	12	54	Stckhm.	C	0	32
Geneva	C	2	36	Strasbg.	R	4	39
Gibrltr.	S	17	63	Sydney	C	24	75
Gl'sg'w	C	11	52	Tangier	S	17	63
G'nsey	F	10	50	Tel Aviv	S	16	61
Helsinki	C	−9	16	Tenerife	C	16	61
H. Kong	S	20	68	Tokyo	S	9	48
Innsbrk.	Sn	1	34	T'r'nto†	Sn	−7	19
Invrnss.	R	10	50	Tunis	S	14	57
I.o.Man	C	10	50	Valencia	S	18	64
Jersey	C	9	48	Venice	C	8	46
Jo'burg	C	17	63	Vienna	S	4	39
L. Plms.	C	17	63	Warsaw	C	1	34
Lisbon	S	14	57	Zurich	Sl	1	34
Locarno	S	11	52				

C—Cloudy. F—Fair. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.
† Noon GMT temperatures.

THE LEX COLUMN

The bank game: any number can play

Suddenly a new game has become popular, called "Break the Bank." Although it is not much fun—some participants, indeed, describe it as agonising—there appears to be a large and increasing number of players. Once started, the players are hooked and are unable to break off until the game has reached its often bitter conclusion. It is played for money, which under the rules has to be borrowed.

The game comes in several different versions. The simplest is for two players only, of which one is the bank. The principle is simple enough: the bank tries to show that the other player has no cards left, and should be declared bust, whereas the latter attempts to force the bank—through a variety of strategies—to pay out heavily. This player's ultimate aim is to achieve something described in the rules as a "reconstruction."

Different ways of scoring off the bank have been developed. One is the so-called Airfix defence which gives a temporary advantage but, some tacticians argue, leaves the player highly vulnerable to a counter-attack by the bank. A variant is the Stone-Platt finesse, which can keep the game going for a very long time.

Another option for a player in serious trouble is to dip into the Community Chest, in a tactic known as the Duport close. This can be attractive when the game is played with red cards, but when blue cards are used—as is more common at present—the Community Chest is likely to yield a blank. In that case the only hope lies in a Du Cann play, which is normally regarded as being a very long shot.

A more attractive game plan is the so-called Norvic double-shuffle, in which the player declares himself to be one turn away from being bust. He is then allowed to "see" the bank, and if it is discovered that the bank has been piling up a great deal of money he can shout out the call "Embarrassment!" and the bank has to pay out a large sum. This tactic only fails if the bank turns out to be short of Monopoly Money, which in practice is hardly ever.

A slightly more elaborate version of the game is for three players, of which, again, one is the bank. The game proceeds with one of the non-bank players seeking to eliminate the other, and then subsequently continues as in the two-player version.

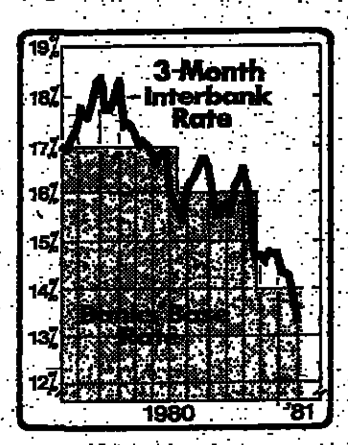
One of the more interesting strategies in this version is the Pergamon pressure play, in which one of the two non-bank players persuades the other he can prevent him from going bust. Then by doing a trade with the bank and mortgaging his cards, he can take over the other player's assets. But this may still leave him vulnerable to the bank when play resumes.

Versions with more than three players can become highly complex. In one, a single player can compete against as many as 40 or 50 banks, and although this can be a fascinating exercise it can also be extremely protracted and could require the hiring of large premises—such as a hotel ballroom.

Strangely enough, such an outnumbered player can often be in quite a strong position, especially if he takes advantage of his right under the rules to shout "Bank of England!" When he has done this—a technique commonly known as the Massey defence—all the banks are forced to miss every other trick. In this way a skilful player can eventually force a highly satisfying reconstruction.

The most ambitious form of the game—suitable only for the highest of high rollers—is International Break the Bank. The tactics in this case are similar but on a much bigger scale. The game may start with the tricky Turkish opening—much favoured in military circles—and may then develop into a lengthy to-and-fro phase known as the Brazilian roll-up. Sometimes the play intensifies into a dramatic and suspenseful end-game described as the Polish denouement, although this is not permitted on Saturday.

Index rose 8.3 to 480.3



Alcan

Alcan has done the right thing by the minority shareholders in its quoted UK subsidiary. It is offering to buy them out at 120p per share, which compares with a suspension price earlier this week of 52p and a high last year of 106p; by any standards this is a fair price. Losses in the second half have left the group with only a small historic cost profit for the year, and losses are expected to continue into the current year. With capital spending currently running at roughly twice the depreciation charge and debt rising fast, the dividend prospects were nil.

Alcan had to be seen to be generous, however. The existence of the minority stems from a loan issued in 1969 and convertible into shares in the UK company. A brief flurry of high dividends persuaded everyone to convert, and Alcan would have won no friends if it had now tried to buy them out at the bottom. As it has turned out, shareholders have done far better than would have been the case had they not converted.

The offer itself takes a novel form. The Canadian company has put aside a set number of its shares to offer to the minority, and will top them up with cash if the equivalent price falls below 120p. If the price rises above that level, it will reduce the number of shares it is offering. That way, everyone can be certain of what they are going to receive in money terms.

Another tap

Hints from the Prime Minister on television last Sunday, and again in Parliament on Thursday, that interest rates will be allowed to come down have not been matched by action in the shape of a cut in Minimum Lending Rate, which stays at 14 per cent. That has come as a disappointment to the gilt-edged market, which was also faced with yet another gilt-edged tap stock yesterday. However, money market interest rates have indeed eased significantly this week, and this has provided an incentive for buyers of equities to become more enthusiastic.

Whereas the gilt-edged market is faced by £1bn of the new 1986 tap and may be a remaining £800m of the existing long tap, which according to some dealers will be enough to hold the market down until the Budget in a month's time, equities are much less restrained — even though the £150m British Aerospace issue is scheduled for subscription next Friday. So by last night the FT 30-Share Index was above the 480 mark and showing a gain of 14 points on the week.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.